

The week in London and New York

All eyes on Westminster

ONLOOKER

Another wholly lifeless week for markets leaves the 30-share index 2.8 points higher at 305.3. Turnover in equities rose marginally last month (see later for story) but the levels of activity are still appallingly flat with bargains marked on Thursday slipping down to a 16-month low. The one exception to the trend is property. The sector has risen 8 per cent this week with individual shares like MEPC, Hammerson and Slough Estates all pushing up by double figure percentages.

Gilt has also been inactive with the Government Broker staying out of the way despite a steady performance from sterling. Clearly all eyes are now firmly fixed on Westminster as the countdown to the "package" gets under way.

In other circumstances the long-awaited publication of the initial inflation accounting round rules might have had more of an impact on markets. As it is, equities are either too pre-occupied with politics or have already largely discounted the change-over to current cost accounting, for (property apart) there was no noticeable realignment of sectors this week—despite some fairly dramatic stockbroker projections (from Philips and the Drew).

As an example, textiles, which face the largest reduction in earnings, have actually moved up modestly over the past five days. Of course this sector has been very weak for most of this year. But shipping and electricals also suffer adversely from the accounting change-over and they have retained their places as seventh and eighth best performing sectors (excluding commodities) in 1976.

Gilt cheer

November's Stock Exchange turnover figures may offer some cheer to gilt dealers but there is little comfort for those firms tied to equities. Gilt business continued on an improving trend, with the latest figure rising a third over the month to £8.52bn. and contrasting with a low point of £4bn. in August. January's exceptional activity apart when gilt turnover rose to a peak of £13.73bn., this latest figure is the best ever, which must please shareholders in Akroyd and Smithers: the jobbing firm whose major business is in gilts. Akroyd's profits for 1975-76 were slightly lower at £7.18m. pre-tax, but there was a dramatic change in fortune during the year with a first half profit of £6.4m.

followed by just £0.76m. in the closing period.

But if the jobbers are having to tighten their belts—and the yield of 15.4 per cent. for Akroyd and 18.1 per cent. for Smith Brothers is one measure of the uncertain outlook—brokers must be facing even tougher trading conditions. Vickers de Costa underlined the broking community's problem on Wednesday when their 16-month figures showed a £350,000 loss in the U.K. After overseas profits of £360,000, exceptional items and exchange gains the group was left with an overall pre-tax figure of £610,000. November's turnover figures will not inspire Vickers since they run an all equity business in the U.K. Equity turnover managed to creep back up over £1bn. last month, but activity is still very low with business accounting for just a tenth of total Stock Exchange turnover. This is the lowest proportion for nearly a decade.

SUITs report

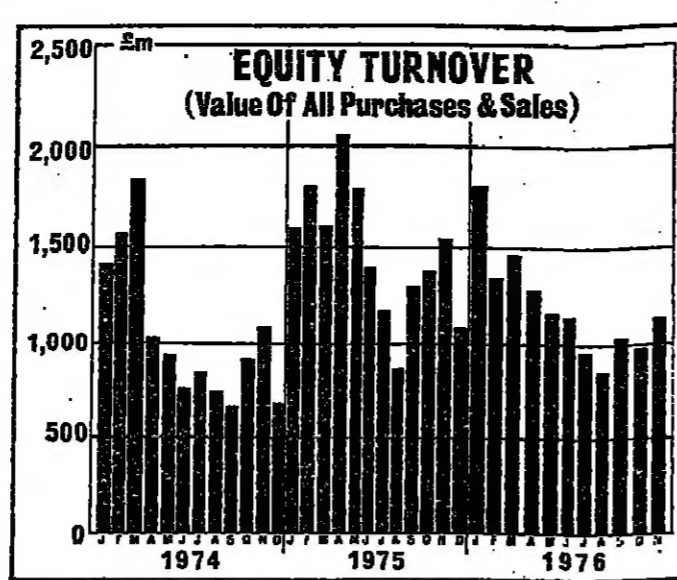
The City's self-regulatory bodies have been heavily criticised in recent years but the system received something of a pat on the back this week following the Stock Exchange report into the SUITS affair.

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way" of conducting his personal financial affairs but absolved him of using privileged information for personal gain. However, the Department of Trade has been alerted to breaches of the Companies Act over non-disclosure of directors share dealings and Sir Hugh's brokers, Grievson Grant, come under fire as do the auditors, Touche Ross, who have since resigned.

The Stock Exchange has not pulled its punches but it would be the first to admit that its job would have been considerably harder without Sir Hugh's co-operation. However, the SUITS affair is far from over. The institutions are considering seeking compensation for having placed Sir Hugh's shares before price-sensitive information was general knowledge. In addition, considerable doubt must surround Sir Hugh's future role as chairman—he has said that if forced to resign he will sell his 38 per cent stake in the company which is worth £64m. with the shares down from 90p to 56p this year.

Devaluation It was the size rather than the fact of the Australian devaluation that surprised most observers, and it led to one or two jarring moments for the Australian stock market. There was no immediate follow-through in London to Monday's burst of enthusiasm—which was almost wholly confined to the mining sectors—and the All-Ordinaries index is now back within a whisker of its November low. Analysts have been adding to their 1977 expectations for mining earnings: but the inflationary implications in

Round-up Four slightly special situations had something to say for themselves this week: Rascal continues to power away, Swan Hunter made it clear that its dividend is safe for another year, Lough's final quarter profits growth has slowed noticeably and International Computers has put its dividend outlook into some sort of perspective.

Rascal's first half profits are £5.3m. higher at £11.5m. pre-tax and the market expects earnings per share to rise above 30p. against 19p last time. Returns on capital employed are now in the 90 per cent bracket: the dividend is likely to be covered around 17 times: and the prospective p/e is perhaps 6. But after a sharp run up ahead of the interim figures the shares have slipped this week; in contrast Swan Hunter has jumped by a quarter in three days with half-year profits of £24m. pre-tax comparing with £21m. last year.

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Waiting game

BY JAY PALMER

NEW YORK, Dec. 3

FOR ALMOST two months, ever since the late September and early October price-collapse ended, Wall Street has been moving steadily sideways with the Dow Jones Industrial Averages fluctuating between extremes of the 920s and the 970s.

While there are still plenty of bears around, enthusiastically forecasting that year-end selling by institutions will drive the index down to the 800s by early next year, it nevertheless seems as if the all-prevailing pessimism so evident in recent weeks is now disappearing quickly.

Although prices in the market have not yet actually started to climb higher, many now argue that it is only a matter of time. Certainly, one can take heart from the fact that despite the continuing economic "pause" and increased steel prices, the market has not lost still more ground.

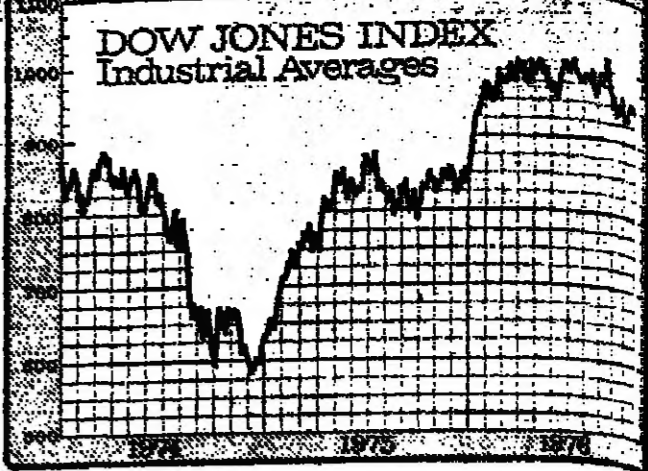
The three key "problems" worrying the market in recent weeks are all now causing less concern. Jimmy Carter is no longer such an unknown element, and such names as have come out of Georgia as potential

Presidential appointments have had the effect of reassuring the market.

At the same time, the market seems to have come to terms with the forthcoming increase in the price of oil and widely reported statements by several OPEC leaders have again calmed fears that there might be a huge jump. As for the pause in the recovery, this of course continues but at least the market argues, the opportunity for booming inflation are narrowed.

But, however muted the fears, compared with a few weeks ago, it is still easy to argue that all these problems still remain major negative factors in terms of market outlook. The new found strength centres on strong hints that the Federal Reserve, unhappy about the pause, is now undertaking some further measure of easing credit.

To-day, after further declines in money supply figures yesterday, the Fed intervened in the market at a Federal funds rate of 4 1/2 per cent. — a full 1/2 point below its previous stated targets. The bond market took this to heart and it seems likely



that equities will eventually go higher on the news as well.

Bond prices, unlike those of equities, are at the moment riding the crest of a wave. This week, for the first time since late 1973, a major triple-A credit rated corporate borrower (Mountain States Telephone and Telegraph) managed to sell new debt at below the magic 8 per cent interest level.

What is going on in the equity market now is a low key search by institutions for those stock groups which have fallen out of favour over this year but promise to recover quickly on any kind of upturn. Studies of quite a few promising areas are

turning up from different brokers and it seems probable that these sectors will show considerable strength next year.

This said, however, it is probably a bit premature to start anticipating any New Year upturn. Above all, the market remains sensitive and any really strong news (a higher than expected Opec oil price rise, for example) could throw all optimistic projections out of the window.

Monday 950.85
Tuesday 947.22
Wednesday 946.55
Thursday 946.44
Friday 950.55

Mining Delight turns sour

BY PAUL CHEESERIGHT

LIKE A dental patient, suddenly relieved of toothache, who then realises that painful treatment might be necessary after all, the Sydney Stock Exchange has this week been through alternate spasms of joy and depression.

The decision last week-end to devalue the Australian dollar by a decisive 17.5 per cent brought a spurge of activity among mining stocks, pushing the Metals and Minerals Index up by 296.18 to 2,177.08. Barely at last, the investors seemed to think, was the boost which the Mining industry had wanted.

But the view from London was less sanguine. There was no follow-through. And, indeed, Sydney investors began to take a more calculating attitude: profits were there for the taking. So the Metals and Minerals Index slumped. It was only the decision of 18 major trade unions to remove their ban on the export of uranium to meet

existing export contracts that prompted the market to find greater stability. Yesterday the institutions were buying again. The unions' decision is a slight modification of their uranium policy, but opposition to uranium mining has been re-affirmed, at least until such time as it can be undertaken with certain safeguards. In taking this stand the unions have aligned themselves with the most recent policy adopted by the opposition Australian Labor Party.

Behind the day-to-day movements of the Sydney market, however, lies the realisation that while the mining companies have been handed a palliative, the basic problems of working in a high-cost inflationary economy remain and may have been exacerbated.

Many Australian mineral contracts are quoted in U.S. dollar terms. The immediate advantages of a devaluation are therefore clear and the Melbourne brokers, Potter Partners, were quick off the mark with calculations showing sharp rises in mining company profits, including a prediction for a 98 per cent rise in the earnings of the

being expanded and making an appreciable difference to earnings.

In the year to September 30, earnings from collieries made up 54.67 per cent of the TCL. In total against 27.15 per cent in 1974-75. The contribution from chrome went up to 13.82 per cent from 5.73 per cent. Fortunately for TCL this switch in emphasis has come at exactly the right time to cover the fall in dividends from its gold mining investments and from its stake in Rustenburg Platinum.

The future course of the platinum market is a source of some perplexity to Rustenburg. The company's annual report commented, "In the light of present economic uncertainties consumers of platinum find it increasingly difficult to provide us with indications of their likely future requirements." Much depends on the U.S., and Rustenburg thinks that if economic recovery there is maintained, this is likely to be reflected in Japan and West Germany, thus bringing about an improvement in platinum demand.

Rustenburg is planning to bring production up to 1.1m. ounces during the year to August 31, 1977, from 900,000 (82p) to make a total for the year of 140 cents, a disappointing figure in the light of the fact that international

economic growth is slower than once envisaged has prompted Rustenburg to reduce capital spending plans for 1976-77 to £18.95m. from £20m. As far as gold is concerned a new dividend season started and so far is following a predictable pattern, given a lower level of the bullion price which yesterday closed at \$131. An ounce for a gain of 62 cents.

But the week of 62 cents. Rustenburg declared an interim of 40 cents (28p) compared with last year's interim of 75 cents and a final of 100 cents. In the Anglo-Vaal group Harthebeest's interim at 65 cents (44.9p) was 20 cents lower than last year's interim and 40 cents lower than last year's final.

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MARKET HIGHLIGHTS OF THE WEEK

Price	Change on	1976	1976
Ytd	Week	High	Low
FT. Ind. Ord. Index	305.3	+2.8	420.8
ANZ	285	-55	390
Bank of N. S. Wales	425	-80	610
Bougainville	100	-18	165
Broken Hill Proprietary	570	-95	857
City Offices	391	+91	50
Common Br's	121	+23	121
Great Portland Estates	192	+18	260
Group Lotus	19	+5	30
Hammerson "A"	273	+23	395
Ladbroke	861	+41	116
Oakbridge	79	-16	112
Pancontinental	700	-150	191
Reed & Mallik	24	+4	25
Samuelson Film	90	+27	90
Scot. & Universal Invs.	59	+7	98
Spear & Jackson	87	+13	102
Swan Hunter	45	+10	59
Tollmache & Cobbold	135	+20	163
Woodside-Burnah	92	-17	162

U.K. INDICES

Average	Dec.	Nov.	Nov.
week to	3	26	19
Govt. Secs.	58.23	58.23	58.06
Fixed Interest	57.96	57.94	57.60
Indust. Ord.	301.5	299.4	311.5
Gold Mines	131.5	137.2	147.1
Dealings mkt.	3,837	4,272	4,723

TV/Radio

† Indicates programme in black and white

BBC 1

8.50 a.m. Ragtime. 9.05 Indoor Outdoors. 9.30 Multi-Coloured Swap Shop. 12.15 p.m. Weather. 12.15 Grandstand: Football Focus (12.30). Racing from Cheltenham (12.50, 1.20, 1.50, 2.20). Boxing (1.10). Rallycross (1.40). Embassy British Rallycross Championship: Rugby League (2.40, 3.15). Ladies Squash (2.55). Ice Hockey (4.0). North American League: 4.30 Final Score. 5.05 News. 5.15 Sport/Regional News. 5.20 The Basil Brush Show. 5.30 Dr. Who. 5.40 Bruce Forsyth and the Generation Game. 7.45 The Duchess of Duke Street. 8.35 Shirley Bassey with guest stars Bobby Goldsboro, Rod McKuen, Emma. 9.30 Starsky and Hutch. 10.10 News. 10.20 Match of the Day. 11.20 Parkinson.

BBC 2

2.50 p.m. Saturday Cinema: "And Now Miguel," starring Guy Stockwell. 4.20 Play Away. 4.50 Saturday and Muttley in their funny machine. 5.00 The Money Programme. 5.10 Open Door. 5.20 Saturday Night Takeaway. 5.30 Frize Cats. 7.35 News and Sport. 7.45 M*A*S*H. 8.10 Mr. Magoo. 8.15 The Lively Arts — In Performance: "Madame Butterfly," opera, music by Puccini, with Placido Domingo and the Vienna Philharmonic Orchestra conducted by Herbert von Karajan. 10.30 Network. 11.20 News on 2. 11.25 Midnight Movie: "Advance To The Rear," starring Glen Ford.

LONDON

9.00 a.m. First Act with Anna Scher and The Anna Scher Children's Theatre. 9.35 In Focus With Harry Secombe. 9.50 Super-Saturday Scene. 9.55 Super-Friends. 10.55 Space 1999. 12.00 Superzone. 12.30 p.m. World of Sport: 12.35 On The Ball. 1.00 International Sports Special (part 1). Skiing—The Parallel Slalom from St. Moritz. 1.10 News From ITN. 1.20 The ITV Seven. 1.30, 2.00, 2.30 and 3.00 from Sandown. 1.45, 2.15 and 2.45 from Market Rasen. 3.10 International Sports Special (part 2)—The Colonial Cup from Camden, South Carolina plus drag racing and heavyweight amateur boxing. Gymnastics with Nadia Comaneci. 5.50 Half-time Round-

ATV

up: 4.00 Wrestling: 4.50 Results Service. 5.05 News From ITN. 5.15 Cartoons. 5.20 Celebrity Squares. 6.15 Happy Days. 6.45 Jonathan Routh and Candid Camera. 7.15 Yous My Dear. 7.45 News Faces. 8.45 "The Deadly Tide" (made for television). 10.30 News. 10.45 Aquarius: "The Image on the Glass," with Peter Hall and Laurence Olivier. 11.30 Homicide. 12.30 a.m. Close — Julian Battersby reads from the letters of Vincent Van Gogh. All ITV Regions as London except at the following times:—

ANGLIA

9.55 a.m. The Woody Woodpecker Show. 10.20 Fantastic Voyage. 10.45 Breakfast. 11.30 Superzone. 11.55 Space 1999. 12.00 Police News. 12.05 News. 12.10 Celebrity Squares. 1.00 Within These Walls. 1.30 Dan Auger. 12.55 a.m. At The End Of The Day.

ATV MIDLANDS

9.55 a.m. First Act. 9.55 In Focus With Harry Secombe. 10.20 Super-Saturday Scene. 10.55 Super-Friends. 10.55 Space 1999. 12.00 Superzone. 12.30 p.m. World of Sport: 12.35 On The Ball. 1.00 International Sports Special (part 1). Skiing—The Parallel Slalom from St. Moritz. 1.10 News From ITN. 1.20 The ITV Seven. 1.30, 2.00, 2.30 and 3.00 from Sandown. 1.45, 2.15 and 2.45 from Market Rasen. 3.10 International Sports Special (part 2)—The Colonial Cup from Camden, South Carolina plus drag racing and heavyweight amateur boxing. Gymnastics with Nadia Comaneci. 5.50 Half-time Round-

BORDER

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SOUTHERN

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TV Top 20

For week ending November 28.

Rank	Programme	Thurs.	Fri.	Sat.
1	Bruce Forsyth	7.55	7.55	7.55
2	This is Your Life	8.40	8.40	8.40
3	The Sweeney	8.40	8.40	8.40
4	Starsky & Hutch	8.40	8.40	8.40
5	Century Ang.	8.40	8.40	8.40
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Finance and the family

Nuisance by industrial noise

BY OUR LEGAL STAFF

For two years or more I have been trying to get my local authority to take some action against the nuisance caused by a vehicle repair firm near my house, but without success. Are there any general standards to which an industrial building, planned as such, has to conform as regards noise, etc.?

Whether the premises in question have planning permission for industrial use or for other use, the occupier would be liable under the general law for any nuisance by noise; the standard being what is reasonable for that neighbourhood—permission for industrial use is not a licence for a higher level of noise than would otherwise be acceptable. A statutory nuisance by noise can arise under the Public Health Acts or under the Noise Abatement Act 1960 and may be the subject of a complaint to the magistrates' court, while common law nuisance is a tort for which the remedy is damages awarded by a civil court. In practice statutory nuisance is a more useful cause to pursue. An offence under the

Public Health Acts or under the Road Traffic Acts or the Highways Act 1959 (for example, by obstruction of the highway) falls to be dealt with by the local authority or the police, and their failure or refusal to act is extremely difficult to challenge. Your best course would seem to be a combination of complaint to your local authority and publicising the problem in the local Press. You may find that you can get useful advice from the Noise Abatement Society of 8, Old Bond Street, London, W.1.

Damage by a carrier

We obtained a vacuum cleaner which was delivered by a firm of carriers. As it was not up to specification we sent it back and reclaimed the purchase price, £16. The firm sent us £8.40 stating that the cleaner had been damaged in transit and that repairs cost £7.60. The carrier repudiated liability on the grounds that the damage was not reported within 3 days of delivery. What can we do? We think that you should claim the balance of the £16 from the supplier of the vacuum cleaner. You should provide them with copies of the correspondence

with the firm of carriers and point out that it was their duty to report damage in transit, and that they cannot claim a set-off for such damage if they failed to report it in time.

Club secretary's responsibilities

I act as hon. secretary to a social club. Could you advise me as to my legal responsibilities, in particular as to whether I could be held responsible for any of the club's debts? We cannot advise without seeing the constitution of the club. So long as you do not become a trustee of club property you would not become responsible for any debts not authorised to be incurred, or incurred, by yourself. However, there could be some risk that you might be held responsible if the constitution of the club does not clearly define who are the trustees of club property.

Tax on interest not received

I bought six different stocks via the Post Office and in August received a tax assessment for 1975-76 which I had paid and

further assessments of the same amount, but payable January 1, 1977. As these are for more payments of interest after January 1 up to April 5, must I pay tax for the full year on interest I have not received?

Without details of your purchases of stock on the National Savings Register, we cannot say whether it is correct for the 1976-77 assessment to be on the same figure as for 1975-76, but assessment is certainly correct in principle. There is nothing in the tax laws to say that you can postpone paying tax until you actually receive the income in question.

Appointment to son

I have a life interest in a trust of which my children are the remaindermen. In June last the trustees drew up a deed appointing the sum of £800 to my son as a marriage settlement. The trustees have paid £400 to my son and have stated they cannot release any further money unless I reveal to the Estate Duty Office any further assets I possess. Is this correct? If so how long can the balance be retained? You do not have to disclose the

nature and amount of your free estate, but the trustees may be unwilling to release the whole appointed sum to your son unless you do make such disclosure and thus enable an accurate calculation as to the potential Capital Transfer Tax liability to be made. The period of risk is the period of three years from the date of the gift, that being the period during which increase to the higher scale of Capital Transfer Tax could (on your death) arise. It might be possible for you to make arrangements with the trustees for your estate to indemnify them against any further Capital Transfer Tax which might become payable.

Equalisation of CTT

My estate and that of my wife each come to about £30,000 and each of our wills provides for our estates to go to our sons, with life interests to the spouse. We should like to equalise the CTT on each death to around £7,750. Can you suggest a way of doing this? To achieve your object it would be necessary for each of you to leave part of your property directly to your sons and part to your spouse for life. The ad-

justment of proportions can only be based on a calculation of who is likely to survive the other; and transfers inter vivos between the spouses can be used to enable the estates to be set at the appropriate levels for example £60,000 in one estate and £40,000 in the other (expected to survive).

Barbed wire fence

Our neighbour refuses to repair his chain linked fence separating our garden from his. Is there anything I can do about this? He has three boys aged 14, 12 and six. If we were to put up a barbed wire fence just inside our border and they, or any of their friends, were hurt by it, could we be held liable? Unless the neighbour has entered into a covenant directly with you imposing on him an obligation to repair you cannot oblige him to do so. Such covenants are extremely rare except where there has been a sale of part of a plot and the original parties to that sale are still the respective owners. We think that you would be entitled to fence with barbed wire as you indicate, and that you would not incur liability for injury in these particular circumstances.

Insurance

Drinking and driving

BY JOHN PHILIP

OF ALL the problems that affect the motor underwriter, the question of what to do about the motorist who drinks and drives, is perhaps one of the most vexatious. Incidentally, motor insurers must have considerable regret that the Government cannot now find time in the present Parliamentary session for the reform of the law that is so clearly required. The reform recommended in the report of the Blennerhassett Committee published earlier this year. The proposal in the new Criminal Justice Bill to raise the maximum fine for drunken driving to £1,000 does of course provide some increased deterrent but only scratches the surface of the whole problem.

The Blennerhassett Report estimates that the cost of road accidents involving alcohol now exceeds £1m a year; the report speaks of the "social cost" but it is clear that the lion's share of this is met by motor insurers, and therefore by the insuring motorist public through the premiums that are paid. And at present day premium levels each one of us is contributing around £5 and probably more to the cost of settling claims arising from drunken driving accidents: here as elsewhere in insurance the many pay for the few.

While it is possible, almost infinitely, to moralise over this social problem, the fact is the motor insurers have to deal realistically and commercially with the hard financial aspects. And as a general proposition I think it is true to say that no motor insurer — other than those like Cloverleaf, who specialise in the provision of short period high cost cover for sub standard risks — wants to insure the motorist who drinks and drives, whether or not that motorist is in fact prosecuted to conviction in the courts: for all the statistics show that the drinking motorist is a far worse risk than his abstemious neighbour.

Normally the motorist who is convicted of driving with the excess of 80 milligrammes of alcohol per 100 millilitres of blood is disqualified from driving for a period of four to six months. The real insurance problem arises when he gets his licence back. Individual insurers' practice is widely variable but almost without exception insurers reckon to reduce the purposes.

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SEE PAGE 11

Careers

Blow to the economy

CONSIDER the following sequence of educational events.

Early this year the Government decided that the projected public spending on education for 1977-78 must be cut by £28m. (In terms of 1975 survey prices) by increasing the tuition fees for courses in universities, polytechnics and further education colleges. These courses can be divided into two kinds. One is the long, academic "advanced" programmes deemed to be of bachelor-degree equivalent or higher and attended by, very roughly, 400,000 British youngsters and 55,000 foreigners. The other is the shorter and part-time courses at sub-degree level, taken by upwards of 2m. British people, many thousands of them with the aim of improving their work skills, plus perhaps 25,000 foreigners.

In July the Government accordingly announced a complex pattern of fee increases which would have to be

to take effect in autumn next year. For the advanced kind of courses, this nominally abolished the fee differential set for overseas students and their British counterparts, ordaining uniform rates of £750 for higher-degree studies and of £650 for courses of bachelor-level and equivalent. But the catch was that the £75,000 British youngsters accepted for advanced courses in the normal way, and therefore entitled to a mandatory student grant, would have the whole of their tuition fee paid out of taxpayers' funds, regardless of their parents' income. On the other hand, the 80-odd per cent of the foreign advanced students who are not supported by overseas aid would be charged the fees directly, and so would the 25,000 British students without mandatory grants, many of whom are sponsored by employers. For the sub-degree courses, the overseas/British differential would continue in official existence, and in almost all cases the tuition fees would have to be

paid by the students or by the organisations — again including many employers — who sponsored them. So the effect of the July pattern was generally to encourage entry to the academic courses, and discourage entry to those reckoned to be of greater relevance to working life.

In October the Prime Minister firmly opened the Great Education Debate calling for, among other things, an increase in educational activities serving the country's economic needs. Last week the Department of Education and Science revealed that it had revised the July proposals.

What effect, therefore, would readers expect the change in the pattern to have? The answer, of course, is even stronger discouragement against entry to the studies supposed to be serving the economy. For example, the fees for British people taking full-time work-related courses at sub-degree level was marked in the July pattern to increase from an average of £104 to £125. Last week's pattern extended this rise to an average of £144.

At the advanced-course level — where the original provision for State-payment of the tuition

fees of all British students entitled to mandatory grants will still apply — the new pattern might seem bizarre.

The overseas/British differential has been restored. The charge for foreigners on full-time higher-degree studies is now to be £850 instead of £750. For foreigners on full-time bachelor-degree and equivalent courses the charge will be held at the July pattern's £650.

For the home contingent the fee remains at £750 at higher-degree level — which probably accounts for most of the Britons engaged in advance studies without student grants for the main purpose of improving their work skills. At bachelor and equivalent level the 1977-78 increase will be modified from the £650 proposed in July to only £500, even though in the overwhelming majority of instances the tuition fee will anyway be paid from public funds.

Now any reader inclined to think that, especially for a country in our position, the latest changes defy economic sense, is certainly right. But the point is that national economics, like the flowers that bloom in the spring, have nothing to do with the case. What counts here is the practical politics of the education system.

One of the two main factors in the change of pattern was a decision by the associations re-

presenting local authorities, which are in direct charge of polytechnics and further education colleges, to increase the tuition fees of the sub-degree courses by more than central government had proposed in July.

This virtually faced the Department of Education and Science with a fait accompli. But it meant an increased contribution to the £28m. saving from the "advanced" programmes, and so would permit a reduced contribution from the advanced courses. And this brought the second main factor into play.

Neither the University Grants Committee nor the individual universities, like the idea of fee increases, regardless of whether they are paid out of students' pockets or from taxpayers' funds.

The higher the fee levels, the larger the part of the institutions' income dependent on their ability to attract students rather than on block grants from public funds allocated through the University Grants Committee.

Increased reliance on tuition fee income increases the individual universities' uncertainty about how they can meet their costs, especially those of the large numbers of unsatisfactory academic staff who, being specialists, cannot be switched from one subject to another

replies with two clubs, and raises South's rebid of two to trumps to three. West leads the four of spades, and East's Knave is taken by the King. The declarer leads a club to the Ace, and now East should show that he likes his partner's lead by dropping the ten, an unnecessary high card, asking West to continue the suit, if he has the opportunity. South tries the diamond finesse, and West, alerted by his partner's club play, takes his King and continues spades to put the contract down.

Suppose East holds the spade Knave without the Queen, and the Ace of hearts instead of the

King. Now when the club is played, he drops the two, which tells West not to continue spades from his side of the table. West makes the obvious switch to the nine of hearts, which allows East to get in and lead back a spade. This picks up South's Queen and defeats the contract.

The same indication of attitude to the opening lead can also be used by the opener. For instance, in the above example West would play the nine on the first round of clubs. But it may be that the West player wants to discourage a return of his original lead. Let us study this hand dealt by North at game all:

MICHAEL DIXON

Bridge

ONCE AGAIN we have the Bois Bridge Tips Competition, launched by the International Bridge Press Association and the Dutch manufacturers of liqueurs. The first entry in the new competition is by Dorothy Hayden Truscott, the star American player, and her tip is this: Against no trump contracts the defenders' first low card, unless it is vital to give partner the count, should indicate attitude towards the opening leader's suit.

Let us see this principle at work from the third player's point of view:

N
♠ 97
♥ Q 10 2
♦ 7 6 5 4
♣ A K Q J
W
♠ A 10 8 4 2
♥ 9 8 7
♦ K 3
♣ 9 7 3
E
♠ Q J 5
♥ K J 6 4
♦ 10 9 8
♣ 10 8 2
S
♠ K 6 3
♥ A 5 3
♦ A Q J 2
♣ 6 5 4
At a love score South deals and bids one diamond, North

Chess

BUYING a chess gift for a friend, a young relative, or even for yourself should be a more pleasant exercise this year than in some recent Christmases. The number of relatively low priced, but good value, paperbacks has increased while the upper price range contains some items of outstanding quality.

For a young beginner (age range 7-11) *Chess for Children* by Bott and Morrison (Collins) remains a good introduction, while a more recent primer, *Chess for Dummies* by Elaine Pritchard's *The Young Chess Player* (Faber, £2.50). But make sure your young friend really is a beginner; any ambitious would-be Anatoly Karpov with his sights already on the London under-8 or the Mersey-side Infants' Championship, will regard a book which tells him how the knight moves as an affront to his skill.

to help improvement, an excellent buy is *Chess Mastery by Question and Answer* by Reinhold (Collins/Macmillan). Some of the late Fred Reinfeld's books are superficial but this selection of master games with question-and-answer lessons at critical stages is very helpful. For medium to strong players hoping to become experts, the Batsford range is unique for its wide scope and professional approach.

Two interesting Batsford items, now in paperback and useful to players aiming at all-round improvement, are *Think Like a Grandmaster* by Kotov (£2.25) for the average club standard player, and *Learn from the Grandmasters* edited by Keene (£1.95), a collection of games annotated by grandmasters for stronger players.

Two books can be recommended for the inexperienced player or the interested non-player who would like to know more of world chess and grandmasters without getting involved in technical analysis or game scores.

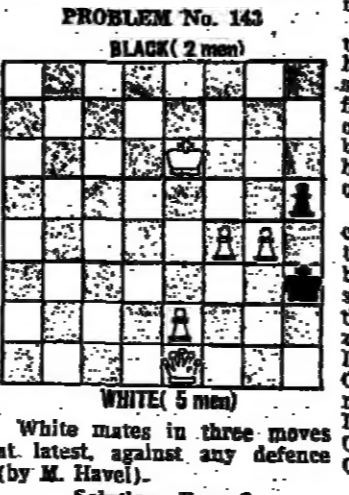
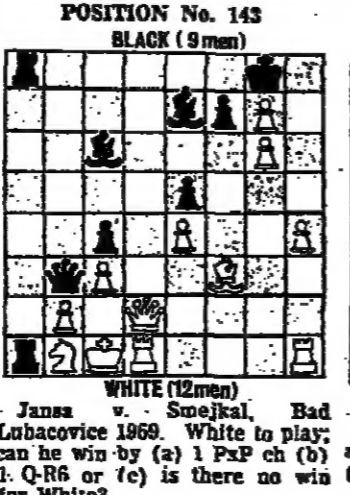
Harold Schonberg's *Grandmasters of Chess* (Fontana, 95p) has occasional factual lapses but more than compensates by its entertaining and readable account of the personalities and achievements of the great players from Morphy to Karpov. For lovers of well-produced books, the will grace a library, Harry Golombek's recent *History of Chess* (Routledge, £5.75) takes the story of the game back to its Indian origins and contains a generous selection of illustrative colour photographs of chess set pieces.

Though not falling directly under the heading of instructional books, two other recent paperbacks are sure to have a wide appeal. This column has already mentioned B. P. Barnes's *Pick of the Best Chess Problems* (Elliot Right Way Books, 40p), a fine collection of two-movers with the light settings and interesting keys which solve enjoy. Bantam Books have just brought out Anatoly Karpov: *The Road to the world chess championship* by Robert Byrne (75p), which contains all the games of the 1974 candidates' matches.

Byrne contributes not only technical comments but also hitherto unpublished insider stories such as how Geller, formerly Spassky's trainer, went over to Karpov's camp shortly before their match, taking with him Boris's jealously guarded opening secrets.

Finally, where can you buy a chess gift? It may be difficult to find these items in general bookshops, but specialist chess suppliers will stock many of them — ask British Chess Magazine, 9 Market Street, St. Leonards, Sussex; Chess, Sutton Coldfield, Warwickshire; Tournament Chess Supplies, 7 The Leazes, London, N.13; or BMS Chess Supplies, 28 Braekendale Close, Camberley, Surrey.

LEONARD BARDEN



White mates in three moves at latest, against any defence (by M. Havel).

Solutions Page 3

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HANG ON TO YOUR WALLET

SEE PAGE 11

by Lucia van der Post

1st edition 1976 Rosenthal
Oriental Night Music Plates

and a Rubens portrait of St Francis, made £50,746.

ANTONY THORNCROFT



oldini: "Cirque de Etoile," by Bernard Buffet, went to a price of £1,000, and a Rubens portrait of St. Francis made £50,748.

ANTONY THORNCROFT

The Arts

Pompeii

BY ROBIN LANE FOX

On the 24th August AD 79, the eruption of Mount Vesuvius buried the city of Pompeii. The city was buried under a layer of ash and pumice, which preserved it in a state of perfect preservation. The city was discovered in 1749, and since then it has been excavated and reconstructed. The city is now a museum, and it is one of the most important archaeological sites in the world.

The Pompeii exhibition at the British Museum is a masterpiece. It is a collection of the most important finds from the city, including the famous 'Frescoes of the Villa of the Papyri'. The exhibition is a masterpiece of archaeological reconstruction, and it is one of the most important archaeological sites in the world.

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Silver bowl with central relief (one of a pair)

The Good Woman of Setzuan

BY MICHAEL COVENEY

With cruel and unjust irony, the Tyneside Theatre Company is finding packed audiences for its production of *The Good Woman of Setzuan*. The play is about a woman who is forced to sell her soul to the devil in order to save her family. The play is a masterpiece of dramatic irony, and it is one of the most important theatrical works of the 20th century.

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Relief with scenes from the myth of Telephus

Pompeii Exhibitions

As a young man in Naples, Virgil would have seen Greek dress worn in the city and spoken the Greek which was to be so influential on his early poetry. Yet, down on the Bay, Pompeii's art is not as fine as nearby Herculaneum's.

Philosophical circles are not traceable in the city, and there has been no discovery of a 'house of the papir'. Instead, the volcano saved the clamour of an ancient town, the 15,000 graffiti, the electioneering slogans—'Sabinus for magistrate: all the bakers want him, and so do the neighbours'—the love-poems, the racing tips and the corpses, twisted like the plaster-mould of the watch-dog in this exhibition's entrance.

Exhibits are grouped room by room, and you can move from the town, to the people, to their gardens, houses, cults and beliefs, trades (rather disappointing) and their pastimes. The Greeks, of course, taught the Romans how to enjoy themselves in their love-life, banquets, hunting, gardens, poetry and architecture. Hellenistic taste lies behind the best of the show. Gladiatorial games and the recipes in Apicius's cook-book seem a clumsy pair by contrast.

On one level, Pompeii still attracts study only for its reproductions of lost Greek art. So, too, a fascination with the foreign mirage of Egypt and the East runs through the cults and art of a city particularly open to traders and travellers. So much for the Augustan poet's praises of the routing of Antony and Cleopatra, as if it were Rome's sturdy triumph over the decadent Orient: Pompeians and others were far too intrigued by that

melancholy land of ancient wisdom and the cult of its goddess Isis, beauty-queen of all full-bodied goddesses, to be true to a Jirab ideal of Italian virtue.

To Egypt, too, one can plausibly look for the sources of the most fascinating section of the show, the wall-paintings of Roman villas and the reconstructed frescoes of the great country houses. The pillared facades and the baroque pleasuredomes in these landscape paintings are surely no fantasy. Developing, probably, from the buildings and palaces of Greek Alexandria, they are more or less the sort of seaside retreat which must have graced the Bay of first-century Naples. Critics may split up Pompeii's art into Greek and Graeco-Egyptian sources, but these astonishing records of villas and gardens are a proof that Rome did not merely rest on her patronage of East Mediterranean taste.

More, as usual, could have been made of the commentaries which explain the exhibits. Pompeii was not static and the changes in the city and the uses of its buildings as they moved from rich private villas to the centres of a thriving business class, should have been brought into play. But Pompeii's two immortal faces are here, and an exhibition cannot ask for more. Round its Bay rose seaside houses, chic, fantastic and built with an extravagance which says much for the scale of top Roman life. In its streets lived the bourgeoisie of the portraits, the baker and his wide-eyed wife, the feltmakers and fullers, the actors in the satyr plays and mimes. Vesuvius may have drowned the clatter, the fiddles and the exploitation. But there can be no visitor who will look into this chamber of the past and fail to think, with Lytton, that here he sees himself among plain blunt men at home.



Garden painting of a heron, a lizard and a dog

Pompeii Exhibitions

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Italy portrait relief of Michel Garnault, by David Le Marchand, 5th. by 11m. Sale, Monday, December 13

The appearance of a portrait relief by David Le Marchand is a rare event, as his recorded works number rather less than thirty. Le Marchand was a French immigrant, almost certainly a Huguenot, from the Dieppe region which was the principal centre in France for ivory carving. George Vertue in his *Note Books* describes him as "an ingenious man for carving in ivory," and the remark is certainly justified by the quality of his work, of which this relief is a fine, signed, example. The subject is Michel Garnault, another Huguenot from Chateaufort, who in 1724 purchased the estate of Bowling Green House at Bull's Cross, Enfield. He seems to have been in the jewellery trade, and was certainly a successful businessman, for when he died in 1746 he left a fortune of £36,000.

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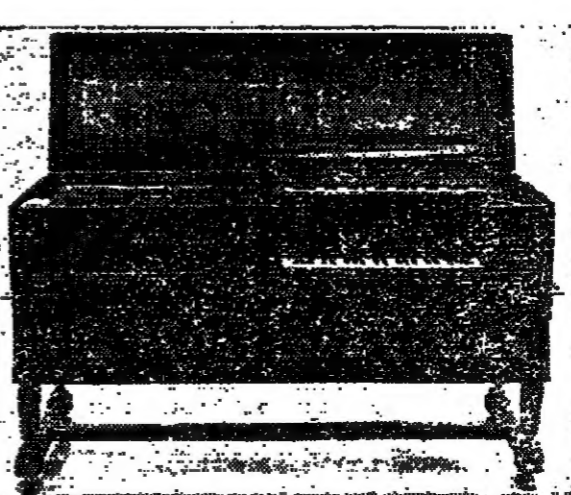
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A second sale in New York has been arranged for March 1977.

In London the next Musical Instruments sale will be on Thursday, 13th January at 11 a.m.

Further information may be obtained from Graham Wells in London and from Joseph Kuntz or Warhena Slaughter, Sotheby Parke Bernet Inc., 980 Madison Avenue, New York, N.Y. 10021. Telephone: (212) 472 3400 Telex: New York 23264

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SE - The Pudding Song. Addition of Billy White. Daily error strip will like this stage sion scripted by Alan Plater. should attract new fans as it. Opened Tuesday.

LAURE ONE. 264. Edgware ad - In the Room Room Room. veriecan hit about the sexual ag-ups of a co-go. girl ably re by the American Repertory company. Opened Tuesday.

W VIC Bristol - Which Way you Facing? Discussions in various social knots in our itation designed more to mulate audience comment in mere pleasure. Reviewed today's final editions.

HOME NEWS

British Rail expects £21m. cut in freight losses

BY IAN HARGREAVES, INDUSTRIAL STAFF

BRITISH RAIL'S freight services are expected to end this year with a deficit of about £45m. against a 1975 loss of £68m. Mr. David Binnie, director of freight, said yesterday that he was pleased with what he considered to be a very substantial improvement in a year in which the industrial recession has, against expectations, continued. If last year's loss was adjusted to current money values, a deficit of £45m. would represent a halving of the loss. Even so, the likely 1976 result, which is based on firm results from the first nine months and estimates of the final quarter, will not be as good as was expected. Earlier this year BR was talking about a 15 to 20 per cent. increase in tonnage within three years. Rail freight is a sensitive barometer of heavy industrial performance, reliant for most of its traffic on coal, steel, oil, chemicals and aggregates. With an overall increase in the tonnage of 8m., taking the 1976 total to a probable 184m. tonnes, the fading of the economic recovery is well illustrated. That fading has made the projected expansion in freight business almost certainly unattainable, although Mr. Binnie believes that the freight division can improve its financial performance again next year. He does not rule out the possibility that the division could remain on its Treasury-imposed target of a £30m. deficit-covering grant in 1977. The Treasury target for this year was £50m. The longer term Government target of viability in freight by 1978 continues, however, as BR has consistently maintained, to look over optimistic. The main reasons for the upturn are the working through of a stiff round of price increases as contracts have been removed, coupled with more aggressive marketing and more productive deployment of wagons with the aid of computer control. One of the most encouraging developments for rail freight this year has been the high level of interest shown by industry in grants towards the cost of private rail sidings available under Section 8 of the 1974 Railways Act. So far 14 grants have been authorised at a cost of £21m. and British Rail estimates that these alone will increase rail tonnage by 125m. There are still over 100 outstanding applications and BR believes there will be a further stimulus if and when the Government accepts EEC directives on lorry drivers' hours which will increase road haulage costs and limit the length of one-driver trips. "I regard the grants scheme as the jewel in our crown. There is no doubt now that the £25m. available over a five-year period will be taken up, with enormous benefits for rail freight," Mr. Binnie said. On the parcels side, British Rail has maintained its overall volume this year, although the sections of the service involving individual manual sorting continue to contribute heavily to the division's losses.

Call for Defence Equipment Minister is rejected

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

A SUGGESTION that there should be a special Minister of State for Equipment in the Ministry of Defence has been rejected by the Government. The proposal was made by the Commons Expenditure Committee in its report earlier this year on the U.K. guided weapons industry, on the grounds that so much of the defence budget was spent on equipment of all kinds that it specifically warranted a Minister. In its comments on the Committee's report, published yesterday, the Government points out that while the existing Minister of State for Defence has responsibilities for equipment, among other duties, the whole field of procurement is so intimately bound up with overall defence policy that it must remain the prerogative of the Secretary of State to handle it. "A Minister who also has responsibilities for wider policy questions is better able to put procurement issues in their proper perspective than one who dealt wholly and exclusively with equipment," the Government says. The Government also discloses that it is now carrying out a major review of present project management techniques in defence procurement, with the aim of providing guidelines to project managers in industry and the armed services. These guidelines will cover not only the control of costs of major programmes but also the monitoring of their technical progress. On the question of pricing defence contracts, the Government intends to continue issuing contracts on the basis of fixed price or other incentives, rather than turn to contracts on cost-plus terms. The committee had expressed a preference for incentive rather than cost-plus contracts, and the Government agrees with this. Defence Expenditure. Cmd 6675. SO. 25p.

Russia contact for Rothmans

By STUART ALEXANDER

PRELIMINARY contacts have been made between Rothmans International, the U.K.-based cigarette and tobacco group, and Russia over the possibility of providing technical assistance or marketing advice to the Soviet tobacco industry. Talks have been held in Russia in the last month and Rothmans said last night that the company was awaiting an official invitation to enter into formal discussions. Rothmans has not been given an indication of exactly what the Russians want and the project could range from advice on packaging and pack design to the establishment of a new factory and the production of one of its brands. Russia is interested in Dunhill International, manufactured by Rothmans. The company is very keen to establish production and sales in Russia, which offers a huge market. It hopes to be able to expand sales to other Soviet bloc countries, thus at the same time helping Russian exports. It is also prepared to take on some overseas marketing of Russian cigarettes. Other countries have been investigated by Rothmans in the hope of setting up similar agreements, though it prefers to offer advice and help with machinery ordering rather than taking on complete turnkey contracts. This sort of arrangement can be especially helpful in breaking into monopoly markets though a previous exercise in Italy failed due to difficult economic circumstances. North Africa is also under investigation where it may be easier to establish a manufacturing arm with a government that is sensitive to any increase in imports. First indications of the Russian talks were given by the official Soviet news agency Tass. Rothmans said last night that it hopes to make use of the credit facilities offered to the Russian Government by Sir Harold Wilson when he was Prime Minister.

Hawker Siddeley wins £6m. power equipment order

BY LORNE SARLING

HAWKER SIDDELEY Power Engineering has won a £6m. contract to supply power station equipment to Nigeria and it is hoped that a similar order may follow as the national electrification scheme progresses. The initial order is for the first stage of the Maru power station in Borno State, north-eastern Nigeria, which will generate power for an irrigation project being carried out by the Chad Basin Development Authority. It will also supply electricity for the first time to some small villages and towns in the area. Further tenders are expected to be invited soon for a wide range of electricity supply equipment as more power becomes available. Much of the equipment for the present order will be provided by other Hawker Siddeley companies, including Mirreles Blackstone of Stockport and Brush Electrical Machines, Brush Switchgear and Brush Transformers of Loughborough. The power station will have an initial output of 14 MW and be in operation by autumn 1978 to ensure adequate irrigation for that year's crops. Eventually, four further generating sets will be installed, boosting potential output to 30 MW. The irrigation scheme will cover an area of about 425 square kilometres (165 square miles), with water being taken from Lake Chad, 12 miles north of the power station site.

Foreign currency loans tax rule relaxed

BY MICHAEL BLANDIN

THE INLAND REVENUE is taking a small concession on taxation in relation to foreign currency loans raised by U.K. residents to finance the purchase of foreign portfolio investments. The changes are expected to affect a relatively limited number of organisations, including particularly investment trusts which have raised foreign loans of this kind. The relaxation is being dated back to corporation tax assessments made after May 14 this year. It relates to the interest paid by U.K. residents on such foreign loans, which must normally be met out of the borrowed funds or out of the income or sale proceeds from the corresponding foreign investment portfolio. Where there is a shortfall, so that interest or loans cannot be met in this way, however, the company has to make up the difference by buying investment currency with official permission at a premium currently standing at around 40 per cent. over the official exchange rate. Until now, the Inland Revenue practice has been to allow only the sterling equivalent of the official exchange rate of foreign currency interest as a charge against corporation tax. The acquisition and disposal of investment currency has been treated as a separate transaction within the capital gains rules. It has now been agreed that the actual sterling cost of the currency specifically acquired for this purpose by U.K. resident companies may be offset against tax. This has the practical effect that the cost of the investment currency premium is allowable as part of the interest charge, and that the acquisition and disposal of the currency will no longer be regarded as a capital gains matter.

Friedman policy would add to workless, says Foot

BY RAY PERMAN, SCOTISH CORRESPONDENT

MR. MICHAEL FOOT, Lord President of the Council, yesterday sharply attacked monetarist economists who said that Britain should have a "shortfall" in its balance of payments to solve its unemployment problem. Mr. Foot, referring to pre-war depression, said: "We are not going to go back to that. We are certainly not going to go back to it under the guidance of the economists who led us through the 1930s and the 1930s." The idea that we should seek a "major feature of the economy" by abandoning the aim of full employment should be rejected by one and all. Unfortunately, the Opposition seemed to be infected by these doctrines. On evolutions Mr. Foot said that the Government was prepared to accept amendments to the Bill, which he hoped would be a better measure by the end of its Parliamentary career than it was now. In spite of the Conservative decision to impose a three-line Whip, he was confident the Bill would get a majority at Second Reading.

Healey may ban tax loss scheme

BY JOHN HUNT

A WARNING was given yesterday by Mr. Joel Barnett, Chief Secretary to the Treasury, that the Chancellor of the Exchequer was considering introducing legislation to ban the avoidance of tax by the use of artificially created deductions in the sale of land. He emphasised that if Mr. Healey decided on legislation, it would be backdated to become effective from yesterday. Mr. Barnett was referring to the much-criticised practice whereby an artificial tax loss is created by the sale of land and the later repurchase of it at a lower price. He was asked by Mr. Joan Evans, Labour MP for Aberdare, whether he knew of any current schemes for the avoidance of tax on trading profits or rents by artificially created deductions and, if so, what action he proposed to take. In a written Commons answer, Mr. Barnett said that the Inland Revenue had recently seen documents outlining an artificial tax avoidance scheme under which arrangements were made to sell an estate or an interest in land with provision for it to be reconveyed at a reduced price.

At risk

He said that the object was to produce large sums qualifying for relief under Section 83 or 134 of the Income and Corporation Taxes Act, 1970. The Inland Revenue would be examining this scheme and any others which had the same object, to see if they were covered by existing legislation. If, as a result of its inquiry, the Inland Revenue found that there could be abuse of the relief provided by the Act, the Chancellor would introduce appropriate legislation in next year's Finance Bill effective from yesterday.

New 'hybrid' Bill likely to delay shipbuilding Bill

BY RUPERT CORNWELL

A NEW procedural wrangle over the "hybrid" issue seems likely to cause a further substantial delay to the passage through Parliament of the controversial legislation nationalising the aircraft and shipbuilding industries. Next week, the Government will put the re-introduced Bill through a truncated committee stage in the Commons, having won a motion bypassing the findings of the Commons Clerks that its most contested section covering hybrid legislation, it would be backdated to become effective from yesterday. When it returns to the Upper House later, it will meet the same judgment from Clerks there—but with the key difference that in the Lords the Conservatives have an inbuilt and unassailable majority. The legislation, therefore, will go before the Parliamentary examiners who could spend several weeks deciding whether it does contain hybridity. In that case, a select committee would be set up which could hear evidence from companies involved. Some senior Peers are talking in terms of a three to four month delay which would dash hopes that the Bill could be passed by the Lords by Easter.

Strategy

In the long run, therefore, this delay would make no difference, since the Government will be able to introduce legislation on to the Statute Book without the consent of the Lords. But the Tory strategy is the same as in the previous session: to buy time in the hope that the Government's capacity to pass the Bill through the Commons will be exhausted. At the same time, Conservative peers are taking care not to be seen as near-weekenders. A promise was being yesterday whereby only the repairing section would be scrutinised for hybridity, leaving the rest to go through unimpeded. This would meet the needs of critics of the Lords, who are throwing the blame for two vital industries into a melting pot.

Tories still divided by devolution issue

BY RUPERT CORNWELL

THE DEEP SPLIT among Conservatives on devolution was bare again yesterday as pressure groups on the Right and Left of the party clashed over Mrs. Thatcher's insistence on outright hostility to the Scotland and Wales Bill. The moderate Tory Reform Group, which claims links with 30 MPs including Mr. Peter Walker and others on the party's moderate wing, urged the six Scottish Front Bench spokesmen to stand firm. At the height of the "shadow" Cabinet argument, they had threatened to resign. Strongly backing the former leader Mr. Edward Heath, who had swung the Tories behind the idea of a directly-elected Assembly for Scotland, the group attacked the present leadership as "crazed kamikaze pilots" intent on electoral suicide. Heath's role Mr. Heath's strategy had been paying off. But now in its ignorance of public opinion North of the border, the Shadow Cabinet was throwing everything away, the group said. However, the Right-wing Selkirk Group—in which Mr. Ronald Bell and Mr. Nicholas Ridley play important roles—look a diametrically opposite line. They contend that the Scots and Welsh peoples and the Conservative Party did not want the Bill and that even if they did, it would be unworkable. It is difficult to see how representative are the trusting viewpoints of the group connected with the group, a good number of English MPs are probably still assessing the situation. But the two have only served to underline party's divisions in Westminster. Although it was emphasised last night that a decision to impose a three whip against the devolution was irrevocable, the party anxious to avoid public face that will only damage its standing at a moment when national popularity is rising. Many observers expect abstention by dissenters to be permitted. However, the plan is unlikely to become clearer until Mr. Heath has the obvious focal point opposition—makes his own known. This will probably be until Monday, when he due to make a speech in Scotland. In the meantime, in the anxiety to remove the impression that the Conservatives are against devolution in any form, senior party figures are emphasising that their quarrel not with the idea itself. They say they merely oppose a detailed set of proposals introduced by the Labour Government. Last night Mrs. Thatcher denied that a clash with Heath was imminent. "The suggestions are quite absurd," she said at Bradford, West Yorkshire.

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- "The sum must be deposited at the notary's office at the time of bidding, the latter being brought to the attention of the notary by means of a writ from a bailiff; The contents of the writ are then made known to the purchaser.
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OVERSEAS NEWS

Spanish Socialists prepare for Congress

By Roger Matthews

MADRID, Dec. 3.

SOCIALIST leaders from more than 15 countries gathered in Madrid this weekend for the first Congress of the Spanish Socialist Workers' Party (PSOE) to be held in the country since the end of the civil war.

Apart from the importance of this international demonstration of support, the four-day Congress may also prove decisive in the battle for supremacy between the Marxist and more social democratic wings of the party.

Although the presence of such men as Herr Willy Brandt, Mr. Francois Mitterrand, Mr. Mikhail Gorbachev, Senator Mario Soares, and Olaf Palme will tend initially to dominate the headlines, equally the Congress's role in deciding exactly where the party lines up in the struggle between the Government and the still illegal opposition parties will be just as important.

With the referendum on constitutional reform less than a fortnight away, Prime Minister Adolfo Suarez is believed to be moving towards rejecting the composition of a ten-man negotiating team drawn up earlier this week by a summit meeting of opposition parties, because of the inclusion of a Communist.

The opposition parties are demanding negotiations with the regime on seven basic points on which they feel they must be satisfied if the referendum and next year's general elections are to be considered democratic.

Sa. Felipe Gonzalez, General Secretary of the PSOE, said at a Press conference today that if the Government refused to have a Communist attend the talks, the response of the opposition would be a matter for joint study. While democratic conditions did not exist in Spain, he was in favour of abstaining in the referendum.

He also reaffirmed the Marxist origins of his party and stressed that while it was basically republican, it would be willing to accept the monarchy, if the majority of the people wanted it.

Torture used in Portugal

By Paul Ellman

LISBON, Dec. 3.

AN OFFICIAL report to-day disclosed widespread torture and arbitrary arrests carried out by left-wing military units during the left-dominated phase of the Portuguese revolution.

According to an official military commission, the turbulent period between the overthrow of General Antonio de Spínola in September 1974 and the abortive left-wing coup of November last year was characterised by behaviour described as "totalitarian" in its tendencies.

Portugal's President, General Antonio Ramalho Eanes, to-day pledged he would conduct a full investigation of the mission's findings and warned that there was no place in the ranks of the military for those held responsible.

No fall in German jobless

BY NICHOLAS COLCHESTER

BONN, Dec. 3.

THE WEST German unemployment situation did not improve in November. Figures released to-day by the Federal Employment Office showed the number of people out of work to have risen by 41,000 to 855,000 or 4.3 per cent of the workforce at the end of the month. This increase was very slightly under the seasonal norm.

At the same time the Finance Minister, Hans Apel, announced

New Cape Town swoop swells arrests to 300

BY QUENTIN PEEL

JOHANNESBURG, Dec. 3.

POLICE ARRESTED 130 people in two black African townships outside Cape Town to-day, bringing to almost 300 the number held since unrest broke out there last week-end.

To-day's operation, described as a continuing "clean-up", was carried out by some 600 police in the townships of Guguletu and Nyanga, where two schools, as well as houses and vehicles, have been severely damaged in three days of disturbances.

There have been no reports of further incidents since the police swoop began yesterday, and

police commissioner Brig. Theo Biechoff said he was very satisfied with the results. "It seems we are on the right track," he said.

Meanwhile in Pretoria, Brig. Ben Roos, director of army operations, announced that seven guerrillas had been killed and two wounded by the South African security forces near the border between Namibia (South-West Africa) and Angola. He told a Press conference that an intensification of the conflict in that area should be expected with the advent of the rainy season.

In Windhoek, Mr. Jannie de

Wet, commissioner general for the Indigenous Peoples of South-west Africa, suggested that the security forces might "be forced to wipe out SWAPO (the south-west African peoples organisation) bases in Angola at the request of the Ovambo Government."

The Constitution Committee in Windhoek was close to agreement to-day on a basis for interim government in Namibia. John Stewart, writes from Cape Town. A unitary-type state was confidently predicted with parity in the central legislature for all population groups, sources in the Namibian capital said to-day.

Major shake-up likely in Peking

BY COLINA McDUGALL

THERE ARE signs of a major shake-up in Peking following the dismissal of the Foreign Minister, Chiao Kuan-hua, apparently for links with the "gang of four" — chairman Mao Tse-tung's widow and her three assistants, who were arrested in October.

One appointment has been confirmed, that of Huang Hua, former Chinese ambassador to the UN, as Foreign Minister, but others seem likely to follow.

Six ambassadors, besides Huang Hua, have so far been recalled to Peking. They are the envoys to Japan, Iraq, Sierra Leone, West Germany, Guinea and Turkey.

Four ministerial changes also seem possible. Wall posters were seen yesterday in Peking criticising 34-year-old Chuang Tse-tung, former world table tennis champion and Minister for Sport. The Minister for Health, Mr. Liu Hsing-ping, also appears to

be in trouble. She is the widow of a vice-premier and public security Minister, Hsiao Fuchih, a leading figure in the cultural revolution, who died in 1972.

Two other ministerial posts are apparently vacant. The Minister of Culture, Yu Hui-yung, was reported arrested along with the "gang of four" while the Education Minister was said to have died after a criticism session with Left-wing students.

So far Chairman Hua Kuo-feng, who took over the party chairmanship a month after Mao's death in September, still seems to retain the premiership to which he was appointed in April. Although on two separate occasions posters have been seen acclaiming vice premier Li Hsien-nien to the post, there has been no official announcement.

Observers have suggested two other possible contenders for the

job. One is Teng Hsiao-ping, former vice-premier who was dismissed in April. The other is Wu Teh, First Secretary of the Peking Party Committee and a rising star who made an important speech at the NPC standing committee meeting on Tuesday. Wu's speech incidentally carried a reference to the campaign to criticise Teng.

Although the intricacies of Peking politics almost defy comment, the holding of the standing committee session and the announcement that accompanied it, suggest a return to a more open form of government than has been seen in China for some years.

The appointment of the late premier Chou En-lai's widow, Teng Ying-chiao, to a vice chairmanship of the NPC, indicates a respect for Chou's moderate policies which is echoed in the constant reference to him in the current press as "esteemed and beloved."

Rhodesian Whites position paper

By David Egli

GENEVA, Dec. 3.

THE DELEGATION of Mr. Ian Smith has agreed to present a position paper to the conference on Rhodesia here despite the contention of Mr. Van Der Byl, the delegation leader that white Rhodesians had taken no active part in the discussions so far on the structure of an interim government.

The paper will set out the basic principles of the Kissinger proposals and in the view of Mr. Van Der Byl, may assist the conference to get down to the task for which it was convened—the setting up of a two-tier transitional administration with the maintenance of significant power in the hands of white Rhodesians. Mr. Van Der Byl had a short consultation with the conference chairman, Mr. Ivor Richard, following to-day's restricted working session at which all delegations were represented. He has apparently been convinced that it is now in the interests of the white Rhodesians to take a more active part in the discussions which, despite moments of acrimony, have been going remarkably smoothly and will continue over the week-end.

Mr. Richard said that the tone of to-day's meeting was good and that all delegations had participated in the discussion to set up a multi-racial transitional government. He also went out of his way to counter the charge of Mr. Van Der Byl that the delegation of Mr. Robert Mugabe had said there would be no place for whites in an interim government. "I certainly did not hear that," Mr. Richard said, "nobody said the white population will have no representative."

While indicating that Britain was now preparing for a direct role in the transitional government, "if people here thought it was useful," Mr. Richard did not amplify on how this role would be assumed. "We are listening to the views on how such a role would be useful," he commented.

THE NEW U.S. SECRETARY OF STATE

No 'Washington outsider'

BY DAVID BELL

WASHINGTON, Dec. 3.

EARLY ONE morning this week Mr. Jimmy Carter arrived at his peanut warehouse with an unexpected guest who, unnoticed by the Press or anyone else, had been staying with him in Plains.

It was entirely characteristic of Mr. Cyrus Vance, who was named this afternoon as the new Secretary of State, that he should have slipped into the tiny town as discreetly as he did. He is, said one man who knows him well, this morning, very well versed in the ways of government—wherever he has gone so far he has left no footprints.

Mr. Vance, who rose during the Democratic primaries to be Mr. Robert McNamara's deputy at the Defence Department, is, as this quotation implies, one of the few senior officials to thread his way successfully through the Vietnam minefield. He was out of government at his own request by 1967, some time before the war had eaten away so much of the Johnson Administration.

In the same year he served with distinction as a special presidential envoy to Cyprus. At least one Turkish diplomat here still believes that his straight talking with the Turks stopped a Turkish invasion of the island although other observers feel that the Turks never intended to invade Cyprus at that time anyway.

In 1968 he went with Mr. Averell Harriman, the veteran

Democratic foreign policy-maker at work in this appointment, as co-leader of the American delegation to the Vietnam peace talks in Paris. Here, too, he won a reputation as capable and hard working. After the Nixon victory, he returned to New York to rejoin his law firm. He later became a director of the New York Times, Pan American Airways and IBM. He was also, among many other things, a member of the New York Commission investigating police corruption and, in 1975, became chairman of the Rockefeller Foundation.

Cautious, sound and judicious are some of the adjectives that spring to mind about his approach to any job that he has undertaken since he first entered the Kennedy Administration as counsel to the Defence Department, from which post he moved rapidly to become Secretary of the Army. Like Mr. Carter, he is a good listener who instinctively seeks out the "nature of gravity" in any discussion.

There is still much speculation that Mr. Carter may appoint the rather more impulsive and possibly more creative Professor Zbigniew Brzezinski as head of the National Security Council. The new President has said that his foreign policy makers will be chosen in "clusters" and he may be hoping that the judicious Vance will be a perfect foil to

the less predictable "Zbig". So much has changed since Mr. Vance, who knows Europe well, was last in office, that his earlier jobs which included troubleshooter roles in the Panama Canal, the Dominican Republic, and even in Detroit, beset by urban mobs in 1967-69, will be of little direct help as he grapples with the Middle East and Africa. In dealing with the Soviet Union he is bound to bring with him detailed knowledge of defence matters which may make him a formidable negotiator on arms limitation issues. He knows less about the Middle East but this may be an advantage at the start of a year when an open mind may well be needed.

The same is true of his attitude towards Africa, but he is said to be a fast learner and, in contrast to Dr. Kissinger, to rely heavily on staff work. Mr. Anthony Lake, who is in charge of the Carter State Department transition team, may well come to play a role in this respect.

Mr. Vance is certainly the antithesis of the "Washington Outsider" that Mr. Carter prides himself on being. A graduate of Yale, where he read economics and later law, he served on a destroyer during the Second World War before joining the New York law firm of Simpson, Thacher and Bartlett, where he was first made a partner in 1956.

Syria uncovers terrorist plot

BEIRUT, Dec. 3.

SYRIAN SECURITY officers have uncovered a secret terrorist plan

to assassinate leaders in several Arab countries, the pro-Syrian newspaper Al Bayraq said to-day. Investigations into the attempted assassination on Wednesday of Syrian Foreign Minister Abdel Halim Khaddam "has revealed a serious terrorist scheme to assassinate Arab to get rid of 'the princes who rule the countries' the right-wing newspaper, which has close connections with Syria, said.

Robert Graham adds: The text of a confidential seven-point memorandum on Lebanon from the U.S. State Department to the French Foreign Ministry has been published by a Beirut newspaper. The memorandum speaks among other things of the need for Arab states to get rid of "the princes who rule the countries" the right-wing newspaper, which has close connections with Syria, said.

Arab guarantors of the present ceasefire in Lebanon, Egypt, Kuwait, Saudi Arabia and Syria. The memorandum, according to Al Nahar, has as its principal point the need to end the feudal rule of the traditional political figures. In a parallel point, the Arab states backing President Sarkis are said to want to see a new Lebanon in which power is given to "thinkers, planners and producers."

Fukuda is welcomed more enthusiastically than Miki

BY CHARLES SMITH

TOKYO, Dec. 3.

A TIRED-LOOKING Prime Minister Takeo Miki received a much less enthusiastic response than his rival, former Deputy Prime Minister Takeo Fukuda, when the two men appeared together this afternoon at a Liberal Democratic Party election rally in central Tokyo.

Mr. Miki spoke for 30 minutes to a fairly unresponsive crowd, dealing at length with the Lockheed affair, defence questions and other issues.

He was clapped at the end of his speech and there was some waving of paper Japanese flags, distributed for the occasion by party organisers. Mr. Fukuda, speaking immediately before Mr. Miki, was repeatedly cheered. Bouquets were passed up to him from the crowd but there were no flowers for the Prime Minister.

Neither Mr. Fukuda nor Mr. Miki referred directly to their personal struggle for power but Mr. Fukuda was applauded when he said he felt "the whole of Japan" was his constituency, although technically he was running for election by the voters of Gumma-ken, a rural prefecture in central Honshu.

Another moment of tension between the two came when Mr. Fukuda introduced Mr. Miki to the crowd as "President of the Liberal Democratic Party" and Mr. Miki commented that he felt he needed no introduction.

The Fukudamiki joint appear-



ance, which ended with the two men shaking hands on the roof of a party loudspeaker van, coincided with a slight revival of optimism to-day about the Government's prospects in Sunday's general election. A last minute poll published to-day in the Yomiuri Shimbun, one of Japan's three major daily newspapers, said the LDP might win a maximum of 86 seats, 10 more than the bare majority predicted earlier in the week by the same newspaper.

Japanese scrap \$6bn. project

TOKYO, Dec. 3.

A GROUP of 78 Japanese companies has disbanded a study committee formed to assess a West Australian \$6bn. project to construct an industrial complex in Australia's Pilbara District, a group spokesman said.

However, Japanese interest in the project remains high, he said. The Committee was disbanded following publication of its report that while resources in the district are adequate, labour, markets and capital are lacking. The Japanese group is ready to resume co-operation after clarification of Australian policy on the project, the spokesman said.

Dutch Press leak to be investigated

By Michael Van Or

AMSTERDAM, Dec. 3.

DUTCH Foreign Minister Max van der Stoep has ordered an investigation into a Press leak of what is described as a Dutch confidential diplomatic document purportedly containing a message from Dr. Henry Kissinger.

Dr. Kissinger is said to have suggested in it that the industrialised countries could still succeed in avoiding another major OPEC oil increase by isolating the oil producers from the poor developing countries at the North-South dialogue talks in Paris.

This information is reported to have been included, without Dutch comment, in a telegram signed by Mr. van der Stoep to the Dutch mission in Paris via the Dutch Embassy, as well as to a number of other Dutch embassies abroad.

Mining damages

The South Sea islanders who brought a marathon lawsuit over the devastation of parts of their home by phosphate mining are entitled to damages for the failure of the British Phosphate Commissioners to replant the mined-out land with trees, a High Court ruled in London yesterday. But the figure was left to be worked out between the Phosphate Commissioners and the islanders.



The Government's had another bright idea!

The idea is to allow local councils to go into the building business in a big way. They plan an Act of Parliament which will permit your local council to extend its 'direct labour' operations and carry out jobs for anyone just like a construction firm.

Whether you like it or not, rates will increase to finance the losses. And losses there will certainly be. Even with their present power, councils have made an astonishing mess of direct labour construction.

Here's just one example: in Glasgow, the Council built houses with their own direct labour for £9,600 each. Next door, the same homes were built by private contractors for £5,900 each—a loss to the ratepayer of £3,700 a house: a total of £680,000 on this scheme alone.

This was disclosed at the Glasgow District Council meeting on 3rd June, 1976.

Incredibly, the Government plans to give councils exciting new opportunities for losing your shirt. They will be allowed to build anything for anyone: houses, factories, roads, even complex civil engineering projects like bridges and reservoirs.

Who will pay for the vast bureaucracy needed to run this creeping nationalisation?... YOU WILL.

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Cut waste, cut rates, cut direct labour!

I'm against this direct labour nonsense. Send me your protest kit by return.

NAME _____
ADDRESS _____

FEDERATION OF CIVIL ENGINEERING CONTRACTORS,
ROMNEY HOUSE, TUFTON STREET, LONDON SW1.



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SATURDAY, DECEMBER 4, 1976

The cuts we must make

ON TUESDAY, the last day of the debate on the Queen's Speech, the Chancellor of the Exchequer had a number of points to make which bear directly on the package of measures designed to secure the IMF loan. First, he emphasised that the International Monetary Fund had no intention of imposing a massive dose of deflation on the country—not least because the rate of growth next year is now expected to be only half as fast (owing to the slowing-down of world trade) as was expected in July. Second, though less optimistic than the National Institute, he expected the balance of payments to be back into surplus by 1978, so that the IMF was being asked to provide a bridging loan.

Third, it was agreed that the economy should be brought into better balance over a period of two or three years. Fourth, we needed a steady and continuing reduction in the public sector borrowing requirement, which could not however be financed by an increase in direct taxation, which was already dangerously high. He referred to the disincentive effects of tax, especially at the lower end of the scale, but said that no changes could be made until the spring Budget. It seems likely that the Government will again offer cuts in taxation in exchange for continued wage restraint.

Cabinet talks

Having set out the ground in this way, the Chancellor was ready to make the case for a sharp cut in the borrowing requirement in the Cabinet discussions which followed. There were reports that most members of the Cabinet were opposed to the figures which he first put to them. However that may be—and it is not impossible that Mr. Healey started off by asking for more than he expected or intended to get—the Cabinet now seems to be more united, at least in principle, on what ought to be done.

The gap between the £11bn. at which the borrowing requirement for next year was recently put, and the £8bn., which the Fund is expected to favour, is certainly large. But the figure of £11bn. was based on figures for this year's out-turn which may have been too pessimistic and may have been on the high side. If the figure

were, say, £10.4bn. and the Government were to cut the borrowing requirement by £2bn., the gap between the two sides need not in itself be a major obstacle. The £2bn. cut, it seems, could be equally divided between cuts in public expenditure and financial measures. Since the problem is partly financial, there would be no objection to cutting the borrowing requirement through lower interest rates or the issue of indexed bonds, or, as has been suggested, by selling off part of the official holding in British Petroleum.

Fund's concern

It is the other £1bn., which is to come from cuts in public spending and which has not yet been agreed in detail by the Cabinet, which is of more importance. The Fund officials have already spent longer "looking into the books" than usual; they have made it clear that any loan will be paid in instalments, conditional on the achievement of certain monetary targets; and they will be unwilling, for obvious reasons, to endorse a package of measures which might be judged by the market to be inadequate and causes a fresh run on sterling. They will therefore take a closer interest in the precise nature of the cuts than they might in less tricky circumstances.

We ourselves have recommended £1.1bn. of expenditure cuts, not necessarily all concentrated in the first year, as probably the least the exchange markets would regard as satisfactory. They should be cuts in current rather than capital expenditure, since the latter might well turn out to be only a postponement and would in any case have a direct impact on the private sector; they should be genuine (and therefore inevitably unpopular) cuts rather than paper exercises; and they should preferably be such as to produce a greater impact in the second year than in the first. If the Cabinet can agree on cuts of this kind, the total amount of which would rise from £1bn. to nearer £1.1bn. in 1978-79, the IMF would probably feel able to accept them and the market, knowing that progress on the question of the sterling balances would then become possible, would probably do the same. Anything less would entail an unacceptable risk.

Soon after European Community fishing limits are extended to 200 miles on January 1 we can expect a Soviet trawler to be arrested by the Royal Navy

A bigger and better fishing war

BY MALCOLM RUTHERFORD

AS BRITISH trawlers finally withdrew from the fishing waters off Iceland on this week without so much as a shot being fired, the British Government was becoming aware of another fishing dispute on the horizon. So, too, was the Soviet Union.

The drama should come to public attention shortly after New Year's Day when—if there is no settlement in the meantime—a Soviet trawler, fishing well off the British coast, will be arrested by the Royal Navy. The Russians are aware of the problem. They believe that the British might be bluffing, but they are not quite sure of it, and there is not much that either side can do about it without a considerable change to its foreign policy.

The problem arises because on January 1 the European Community will declare its own 200 miles fishing limits. The act will have no standing in international law, but that is no more than a technical point to the Russians. As the Icelandic example has shown ever since

the U.S. which involve at least an implicit recognition of 200 mile limits, as well as a cut in the Soviet catch, and they have offered to discuss the same sort of thing with Britain. The sticking point remains the European Community. Yet even if negotiations could begin to-morrow, there would be difficulties. They arise from the way the Soviet catch in what are about to become Community

waters vastly outweighs what the Community takes from the waters of the Soviet Union. The most up-to-date figures are not available, but, according to British estimates, in 1974 Soviet trawlers caught over 400,000 tonnes of fish in what will soon be the Community's 200-mile

coast—mainly cod and haddock from the Barents Sea—has hardly gone up at all. Although there is a theory that the Russians have raised their catch merely to improve their negotiating position, it is clear that there is a formidable disparity when it comes to discussing reciprocal arrangements. Very roughly, the present Soviet catch in Community waters could outweigh the Community catch in Soviet waters by a ratio of about 10 to one. And yet, so far as the Community yet has a mandate to negotiate with the Russians, it is based on seeking a reduction of the Soviet catch "to a level justified by reciprocity". Reciprocity is defined, certainly by the British in the Community, as meaning parity. That is, the two sides would not be asked to make equal or similar percentage cuts. On the con-

least not yet, which is why everyone is nervously waiting for January 1. And the absence of reciprocal agreements raises the question of enforcement. It may seem illogical, but although there is a common fisheries policy exemplified by the way Community members are jointly declaring 200-mile limits, there is no common policy to ensure that outside powers actually take notice. The logical conclusion is a Community Navy, or at least joint Community patrols, but with the possible exception of Ireland, enforcement is being left to the coastal state.

Since there is no point in declaring 200-mile limits if third countries go on behaving as if nothing had happened, the arrest of a Soviet trawler by the Royal Navy is beginning to look inevitable. In the Foreign Office, which tends to regard all other Ministries as incapable of dealing with fisheries questions, it is said that the Ministry of Defence has actually been persuaded to order some war-cutting equipment. That may be apocryphal, and in any case the equipment is said not to be due for delivery until 1978. Yet even assuming that the Royal Navy is already well equipped with suitable gadgets, the hope is that they will not have to be used. Rather, it is expected that a Soviet trawler will be apprehended, will agree to come quietly, and that the skipper will be heavily fined in order to discourage the others.

It is about there—say in mid-January—that the scenario stops. The British have been through it in their minds many times. So have the Russians. The object on the British side will be to show that the 200-mile limits are meant to be taken seriously and to persuade the Soviet Union to negotiate, but it will have to negotiate with the Community and not directly with Britain. What if the Russians refuse to do so? What if they follow the example of the British in Iceland of putting in first unarmed protection vessels to allow their trawlers to fish unhindered, thereby provoking the British to stronger action. Frigates? Well, the Russians could put in frigates too, rather more than the British if it comes to that.

But, of course, there are not going to be negotiations, or at

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WHO CATCHES WHAT AND WHERE

(ALL FISH IN 1,000 TONNES)

	Catches in one's own national waters assuming 200-mile limits		Catches in 200-mile zones of other EEC countries		Catches in 200-mile zones of non-EEC countries, e.g. Iceland/Norway	
	catch weight	% of total national catch	catch weight	% of total national catch	catch weight	% of total national catch
U.K.	667	63.6	3.4	0.3	378	36
France	160	27	275	57	160	27
Netherlands	79	34	135	61	7	3
West Germany	21	1	113	30	284	68
Denmark (including Greenland)	991	48	263	18	199	14
Ireland	72	90	8	10	—	—
Belgium	26	53	15	31	8	16
USSR	827	51	301	19	479	30
Norway	2,058	76	346	12.6	275	10
Iceland	841	94	44	7	—	0.7
Faroes	31	14	86	37	108	50
Sweden	92	43	33	15	90	42
Poland	160	74	28	12	28	13

1973 Figures Source: EEC Commission

a similar dispute between (say) the Soviet Union and Iceland, which is an even weaker power than Iceland, or between the Soviet Union and Britain. It does not appear to be a fishing war the Russians want to fight, though another element of brinkmanship is that no one can be quite sure.

The Russians are ready to make concessions on purely fishing questions. They have already negotiated bilateral arrangements with Norway and

Letters to the Editor

Pensions

From Mr. N. Wild.

Sir—Your recent interesting correspondence on inflation-proofed pensions suffers in one respect: no one has attempted to assess the cost in a numerical manner without falling forthwith into a state of despair. Why not have some numbers first—the despair may come later.

It is very easy to assess the present value of a "public servant's" pension commencing now at age 60 at say, £2,000 per annum. If expectation of life is to 80 (for instance) then the present value is (30-60) x £2,000, that is £40,000. This is on the basis that the inflation rate by the retail price index (RPI) will remain in line with interest rates paid by the Government. If the Treasury stock is sold to finance the pension, the sales/redemption operations. Currently these rates are in line at about 15 per cent. Since the RPI has still to adjust upwards by about 3% (quite apart from inflation) to come into line with other EEC countries, the chances are that its inflation rate will exceed market interest rates.

If the inflation rate was 15 per cent and interest rates 3 per cent, the present value of the 20-year pension would be £50,000. Probably this can be regarded as the upper limit but I feel that £40,000 is a reasonably conservative value.

Now if the £2,000 pension remained level, like a private sector pension or annuity, and interest rate was 8 per cent, such as a private pension fund would be historically, the present value of the 20-year pension would be slightly under £20,000. Thus the index-linked pension has double, or higher, the value of the non-index-linked pension.

Since the State (nationally) contributed 15-20 per cent of a civil servant's salary to support his pension, prior to index linking, the national contribution now would be 30-40 per cent of salary, in simple terms this means that the private sector pays, in effect, not only the civil servant's salary but now his income-tax as well!

Clearly if the private sector used its own income taxes to

finance index-linked pensions for its own employees, there would be very few "public servants" left to be supported, except on the dole.

N. H. Wild,
28, Cranford Mains,
Woking, Surrey.

Transport

From Mr. H. Howson.

Sir—I venture to write this letter only after looking for, and not finding, many comments on Colin Jones' article (November 8). How not to run public transport? In fact, most of what he postulates is unanswerable. "London," he says, "may become the most glaring instance of the damage caused by an ideological approach to the sustenance of public transport." All the evidence shows that low fare subsidies are not cost-effective. I could not agree more.

And yet I am rather unhappy that the whole article appears to use money and cost as a criterion, and that to idealise in any way about public transport is a mistake. But it is fortunate for man that he does idealise sometimes, else we should not have such concepts as the Taj Mahal or the more utilitarian Woolwich Free Ferry.

But is it so unthinkable that people should pay in taxes one half or more the cost of running a decent public transport system? Take the Moscow Metro, for instance, operating in a country where public transport is regarded as a social need, like the sewers. You pay a 5 kopeck (13p) flat fare (cheaper on buses and trams), leaving the State to find the bulk of the cost through revenues. And because of this, even after considering comparisons between length of journey, etc., the Moscow Metro still carries three times more passengers than does London's Underground.

Or take Frankfurt-on-Main, where on the State and city-aided public transport system (which has no ticket collectors) the various undertakings got together and decided on a common tariff: so that you buy a single, machine-issued ticket and go anywhere you like within a prescribed zone, changing at will

between tram, U Bahn, and even the DB (railway). If this sort of undertaking is the result of "an ideological approach to the sustenance of public transport," in so far as such systems only function as a result of subsidies, then all for it.

In conclusion, I hope to see the day when our own public transport, countrywide, is run on these enlightened lines. We may not be able to afford it yet, but it is an achievable goal. And although it is unnecessary to stress the vital part public transport plays in our social and economic structure, it may be as well to remember what happened to New York when it suddenly stopped, not so long ago. The total cost in business losses alone will never be known. New Yorkers are unlikely to forget in a hurry those few chaotic days.

H. F. Howson,
Inglenook,
2 Debdon Road,
Saffron Walden, Essex.

Tourism

From Mr. M. Bosman.

The present unsatisfactory position of U.K. tourism is attributed to a number of causes, chief among which are the lack of seniority and volume of the resources directly devoted to tourism in the Government and the civil service and the lack of effective consultation between the Government, tourist boards, local authorities, trade unions and the industry on decisions and legislation affecting the industry.

Despite this situation, both the London Tourist Board and the British Tourist Authority argue that the industry should be encouraged to give more financial support to their respective organisations, but so long as no joint consultative machinery exists and while the industry has no representation on the tourist boards or the BTA as of right it is unlikely to do so. As a matter of practical politics, why should the industry pump more and more funds annually into these bureaucratic set-ups, merely because it is claimed that "they are doing a good job"? Surely a far stronger case could be

made out for them to do so if they at least had some say not only in the running of the boards and the BTA but also in formulating the policies that govern them.

It has been said time and time again that the issuance of Government tourism policy guidelines is no substitute for the initiative of a powerful, progressive and clearly defined national tourism policy but, nevertheless, it needs repeating particularly in the context of the net gain of approximately £240m. to our annual balance of payments which this country earns from its tourist industry and the assistance which the industry receives from its Government compared with that granted by other foreign Governments to their tourist industries.

U.K. tourism is at present buoyant and is becoming an excellent industry in which to work. Furthermore, career structures are building, wages and salaries continue to improve and conditions of work have advanced considerably for the 1m. people employed within the industry. In these circumstances the industry's voice will be heard increasingly in the corridors of power, as no political party will be able to ignore either the potential of 2m. votes or the compact which appears to be emerging between the employers through their trade associations and their workers represented by the TUC. Time is of the essence, however, if joint consultative machinery is to be established in time to take full advantage of the booming trade conditions through which the industry is at present passing.

A. Bosman,
24, Chichester Road,
Peters Wood, Kent.

Rents

From the Leader of the Opposition.

Greater London Council.

Sir—Mr. R. S. Musgrave (November 26) makes one very common mistake in discussing council housing, and one rare and obscure one—although a mistake for all that.

He says that because much of the 70 per cent. or so of GLC housing expenditure not covered by rent is interest on debt and because the rate of interest is lower than that of inflation or the rate of appreciation in the value of houses, inflation accounting would show that rents cover all real costs.

I hate to disillusion him but council houses have no financial value until and unless they can be realised—in plain terms, sold. Since the GLC Socialists are set against this, as indeed was the

last Labour Party Conference, the housing stock is financially valueless. In fact it is a financial liability because so far from producing net income it requires constant subvention from rates and taxes.

In order for his hypothesis to work you would have to regard the rent as being applied to cover his "real" costs only, and the executives or overseas visitors to trade fairs—all of whom would normally travel first class. Would this influence British Rail's policy, or has it a vested interest in the International Exhibition Centre?

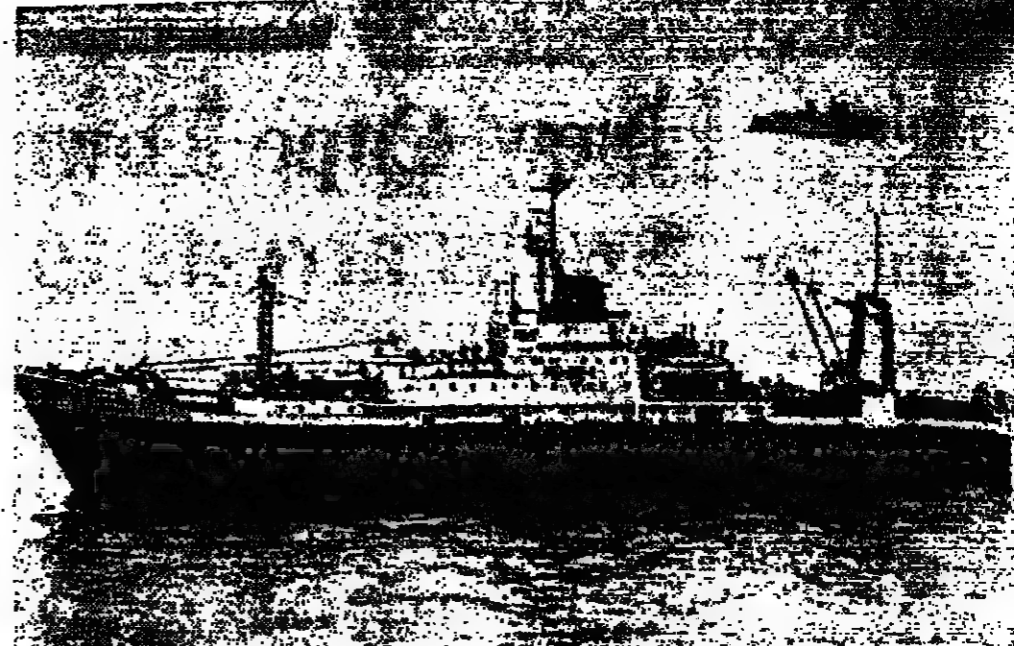
I travelled by the special train leaving at 9.35 a.m. which was probably 25 per cent. full. The normal Intercity left five minutes later at 9.40 a.m., which undoubtedly could have accommodated those passengers on the train leaving five minutes before. Both trains arrived some 80 minutes late. It would be interesting to know what would happen if all the first class passengers knew of the cheap day return for the second class and took advantage of it.

W. J. Brown,
"Tolhurst",
224, Chichester Road,
Peters Wood, Kent.

Excursions

From Mr. W. Brown.

By British Rail I utilised the accounting system to visit the International Exhibition Centre at Birmingham last week, and as a first class passenger I asked for a day return, for which I paid £14.33. This is the normal period return fare. I discovered that a normal



An Irish fisheries protection vessel guarding the Soviet trawler Belomoyre at Cork, when her master faced fishing charges.

and, as the Icelandic example showed, accidents can happen. Some of the biggest ramming incidents off the Icelandic coast were not entirely deliberate. Actually, there is no reason to believe that the Russians want to do anything like so far. Indeed all the signs are that they are anxious for a settlement. The suggestion—that Britain must choose between its friendship for the Soviet people and its adherence to a capitalist community—is not to be taken seriously. But the Russians do not want to recognise the Community as such, at least not without something very substantial in return like a Community recognition of Comecon, the Eastern Euro-

pean organisation for mutual economic assistance, and that for the present, is out of the question.

There is, however, a possible way out which has been favoured by Soviet officials. January 1 is a double date. Not only will the Community extend its fishing limits, but Britain will take over as President of the Council. That means that Mr. Anthony Crosland, the Foreign Secretary and MP for the fishing (some would say former fishing) constituency of Grimsby, will chair the meetings of Community Foreign Ministers. Community foreign policy will flow through him. Why not, said a Russian, let him quietly take off his Community hat and let him negotiate with us as if he were simply British Foreign Secretary? He might even keep his hat on, provided he wasn't too public about it.

That might be a way out of the fishing dispute, but it would also allow the Russians off the hook on which they have been so beautifully caught of having to decide whether or not to recognise the Community. They might not easily be caught again and it will be interesting to see how long Mr. Crosland keeps them hanging.

The alternative, of course, is for the Russians to show some voluntary restraint. January 1 that neither a formal agreement nor the arrest of a Soviet trawler will be necessary. The British tried that one off Iceland, but it did not work.

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جلد ۱

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Britain's biggest engineering group, Guest Keen and Nettleolds, is in sight of victory in its bid to take over control of the big West German motor components company. The Berlin Appeal Court has allowed the joint appeal by GKN and its subsidiary a Federal Cartel Office ruling last May that the takeover should be banned. So, providing the Cartel Office does not appeal to the Federal Supreme Court, GKN could take control in February. This would immediately add more than 50 per cent to GKN's existing overseas turnover of about £360m. and 8 per cent to its Continental sales, worth £240m.

The future of Sheffield steel group, Dunford and Elliott remains unresolved pending the outcome of litigation.

Richardson of Sheffield (Holdings) has written to shareholders stating that they consider the 21p per share cash bid from Imperial Knife Associated Companies Incorporated as "totally unacceptable" and duly recommend shareholders to reject the offer.

Shareholders representing more than 50 per cent of the capital of Ingersoll Group have indicated that they do not intend to accept the Hong Kong-based Lap Heng company's 33p per share cash offer for the company. Having already rejected the offer, the Board now announces that since the offer was first mooted the company has had other approaches which may lead to new and better offers for the company. The Board of Lap Heng is to meet on Monday to review the position.

Hepworth Ceramic has agreed an offer of \$12.32m. for W. S. McKie Clay Manufacturing of the U.S., which makes and distributes vitrified clay sewer pipes and other clay products in the northern and mid-west states. The agreement is subject to, among other things, a favourable opinion from an independent financial adviser, satisfactory completion of a definitive agree-

ment of merger, receipt of requisite governmental approvals and a vote of Dickie shareholders.

On Exploration (Holdings), which is acquiring Bates Oil Corporation from Atlantic Assets in a share exchange plus cash deal valued at around £1.7m., is forecasting pre-tax profits for 1976 of not less than £1.1m., compared with £715,000 for 1975.

Sellinco has received French Government and institutional aid amounting to Frs.37m. (£4.1m.) to take over the St. Joseph manufacturing company in Bordeaux and an injection of Frs.8m. (£900,000) into Tricosa, Sellinco's French subsidiary.

Company bid for	Value of bid per share k	Market price k	Price before bid (k)	Value of bid (£m) k	Bidder	Final Acc'te date
Abercorn Gen. Invest.	77d	75	65	0.7	Castlemere	—
Achabam Tea	75d	71	20	0.5	James Finlay 10/12	—
Borhat Tea	30d	29d	20	0.2	James Finlay 10/12	—
Bristol Plant	10d	9	6	0.4	Carlson Inds.	—
Bucknall Trust	16d	16	13	0.3	Graham House	—
Cash (J. & J.)	160d	160	150	0.5	Jones Stroud	—
Central Wagon	17d	17	13	2.2	Kooker	—
Chubb Tea	195d	185	65	0.3	McCormick	—
Clyde Paper	4d	4	5	0.1	James Finlay 10/12	—
Crane's Screw	21d	21	18	0.48	Armstrong	—
Dejeu Tea	200d	150	93d	0.2	Stewart Hall	—
Doulati Tea	200d	120	90d	0.2	Stewart Hall	—
Dunford Elliott	33d	25	16	0.4	Johnson and	—
Embarkment Trst. Equity Enterprises	70d	65	46	0.4	Stewart Hall	—
Gross Diamonds	28d	28	24	0.4	Messrs. J. Daly	—
Gross Cash Registr.	18d	18	16	1.2	D. J. Dawson	—
Hammy Tea	200d	150	93d	0.2	Stewart Hall	—
Head Wrightson	53d	31	38	7.4	Davy Intl.	—
Ingersoll	33d	30	20	0.6	Lap Heng	—
Isle of Man	62d	62	60	0.6	Douglas Ests.	—
Assurance Inv.	235d	230	135	18.8	McCormick	—
Kinloch	120d	137	101	1.9	Royce Group	—

BIDS AND DEALS

Agreed £1.1m. for A. Marks

AN AGREED 40p per share cash bid has been made for Alfred Marks (Bureau), the employment agency, by Adia Interim, a Swiss-based private-controlled employment group. The bid values Alfred Marks at £1.1m. The Board, which controls 51.4 per cent of the equity, is accepting the offer. The other 700 shareholders have small share stakes.

The approach from Adia, which is one of the largest employment agency groups in the world, came several months ago. Adia has about 180 branches in several countries, including Switzerland, Germany, France, Belgium, Denmark, the U.S. and Brazil. The company is wholly owned by M. Lavanchy and expects to have a total turnover of about £55m. in 1976.

Last night Mr. Bernard Marks, Alfred Marks chairman, said that he and all the other Alfred Marks executives will be retaining their posts. He said that the takeover will provide greater opportunity for all the staff in the company. The Alfred Marks shares have been suspended, pending the announcement, at 20p, up 4p.

UKO COMPLETES ACQUISITION

UKO International has acquired the assets and manufacturing capacity of British American Optical Company's ophthalmic glass lens plant at Widly, South Wales. The acquisition follows an approach by BAO's parent, American Optical (a subsidiary of Warner Lambert of the U.S.), which would otherwise have closed the plant.

GRAFF DIAMONDS

The offer for the Graff Diamonds shares not already owned

Company bid for	Value of bid per share k	Market price k	Price before bid (k)	Value of bid (£m) k	Bidder	Final Acc'te date
London City & Westcliff Props.	22d	21	13d	13.5	London Electric	10/12
Lovell Shipping	185d	185	100	0.5	Tracton	—
Makum (Assam) Tea	90d	87	47	0.15	Meleod	—
Midland Cattle Products	162d	160	105	3.9	Russell	—
Miller (H.)	38	35	18	0.3	Thos. Northwick & Sons	—
Oliver Peil Control	200d	200	200	0.2	Dartmouth Invs.	—
Richards of Wexfield	21d	22d	13d	1.0	Imperial Knife & Sons	—
Romley Invs.	47d	51	31	0.5	Casper Neill	—
Romley Invs.	51d	51	51	0.8	Arthur Lee	—
Scott (James)	33	32	16	1.3	William Press	—
Sh. of Steam	115d	114	112	4.1	Ben Line	—
South India Tea	35d	35	25	0.08	Travancore	13/12
Walker (C. & W.)	90d	104	133	0.3	Berry Best	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 2/12/76. h At suspension. i Bid.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Arvon Rubber	Oct. 2	2,453	(509) 12.8	—
Base Charrington	Sept. 30	65,000 (55,500)	10.7 (9.1)	4.35 (3.94)
Matthew Brown	Oct. 2	2,600 (2,065)	8.9 (7.1)	3.51 (2.81)
Daveports Rwy.	Sept. 30	1,390 (1,185)	8.3 (6.8)	2.47 (2.22)
Intl. Computers	Sept. 30	23,069 (16,380)	36.8 (24.2)	5.3 (3.6)
Wm. Jackson	June 30	224 (482)	1.5 (0.3)	Nil (Nil)
Judge Intl.	June 30	933 (507)	—	(2.7) Nil (1.84)
Longhro	Sept. 30	57,600 (53,300)	20.3 (20.0)	—
Mitchell Cotts Grp.	June 30	8,344 (8,300)	7.0 (6.8)	3.28 (3.03)
Movietex	Feb. 28	192 (51)	1.5 (0.2)	Nil (Nil)
A. & J. Mucklow	June 30	1,715 (1,517)	11.5 (10.6)	3.08 (3.49)
Nat. & Cmel. Bkg.	Sept. 30	57,720 (57,288)	12.4 (7.8)	2.37 (2.13)
Tomlinson Invs.	Oct. 2	2,407 (2,802)	8.1 (4.8)	8.75 (8.75)
Richards	Sept. 30	931 (546)	3.0 (2.3)	0.97 (0.84)
Speedwell Gear	July 31	22 (482)	1.0 (1.0)	Nil (Nil)
Stag Line	Oct. 31	218 (469)	8.1 (18.7)	10.36 (9.42)
Tomlinson Invs.	Oct. 2	2,407 (2,802)	8.1 (4.8)	8.75 (8.75)
United Wire	Oct. 2	1,107 (536)	8.4 (4.0)	4.2 (3.7)
Whessoe	Sept. 28	2,863 (1,299)	15.3 (4.1)	4.22 (1.85)

Temper designs and builds a range of special purpose drilling, reaming and boring machines and rolling mills custom made for the precise requirements of rolling precious metals.

The value of the assets acquired as at May 31, 1976, was £23,285, and net profits attributable for the year ended on that date were £33,143.

BID TALKS SEND SAMUELSON SHARES UP TO 90p

A bid may be made for the outstanding 30 per cent. of the Samuelson Film Services by the Samuelson family interests which already control 80 per cent. of the equity. The news sent Samuelson shares racing ahead to close 21p up at 90p.

Shareholders are advised to retain their holdings and to take no action until a further announcement is made. Samuelson also announced yesterday that group turnover for the year to March 31, 1976, increased from £4m. to £4.7m. while pre-tax profit was down from £403,730 to £308,642, after £173,000 (£240,000) at half-year.

Net profit for the year was £145,460 (£200,404), after tax of £157,700 (£200,346). The dividend is maintained at 7.3p net per 20p share.

CRONITE PURCHASE

Cronite Group has acquired Tenax Engineering, of Bedford, for £150,000, satisfied by 428,377 Ordinary shares valued at 35p per share.

LONDON PLASTIC PACKAGING

The Lin Pac Group announces that it has acquired the assets and the business of London Plastic Packaging from the Receiver of that company, Mr. Paul Shewell of Copners and Lybrand, chartered accountants.

ARGYLE-GO

Following the take-over by Generale Occidentale of Argyle Securities, negotiations are now taking place for Argyle to do up of all its interests in European properties to GO and associated companies. The transaction, free of Argyle's liability on the ultimate disposal of the Italian development in Paris, is in line with the view taken regarding Argyle's interests in European properties. The time Argyle shareholders were offered to accept GO's offer of 50p per share. The transaction, which involves virtually nil cash for £150,000, is subject to approval of appropriate authorities in the U.K., Holland and France.

OWNING SHARES MAKES A GOOD CONVERSATION PIECE.



HAVING UP TO DOUBLE THE INCOME MAKES AN EVEN BETTER ONE.

Many share portfolios sound impressive, but often the income doesn't look nearly so good. As an investor, you'll know that only too well. It's for this reason that the Cannon Share Exchange Scheme makes such overwhelmingly good sense.

The Cannon Share Exchange Scheme The scheme allows an investor to exchange quoted securities for a Cannon Bond, investing in any of the Cannon Funds available at the time (currently Equity, Property, Deposit and Balanced). Conversion options allow the investor to switch funds at his discretion, so that he retains a substantial measure of control. And the charge is modest compared to stockbroker's commission involved in similar switching.

Better Income An investor, under current tax law, may annually draw up to 5% of the original value of his bond as income, tax free, for 20 years. This is up to twice the income he could expect after income tax and investment

income surcharge has been deducted from his share dividends. The investor's capital also stands to benefit from the Cannon Bond investment. The performance of our Equity Funds compares favourably with the stock market indices.

Valuation of the Portfolio Securities taken direct into the funds are purchased at full offer price, with no commission. VAT or contract stamp to pay. The average saving to the investor is between 4%-5%. Where shares cannot be transferred to the Cannon funds, we will arrange the sale at bid price. We will cover the sales expenses.

The Cannon Share Exchange Scheme is the logical solution to the problem of diminishing income which faces so many private investors today. For full details of the scheme, write to Peter Lloyd, Cannon Assurance, Freeport, 1 Olympic Way, Wembley, Middlesex, HA9 0BR.



CANNON ASSURANCE SHARE EXCHANGE SCHEME

RECENT ISSUES

EQUITIES

Share	Price	1976	1975
P.P.	231 1/2	231 1/2	231 1/2
P.P.	107 1/2	107 1/2	107 1/2

FIXED INTEREST STOCKS

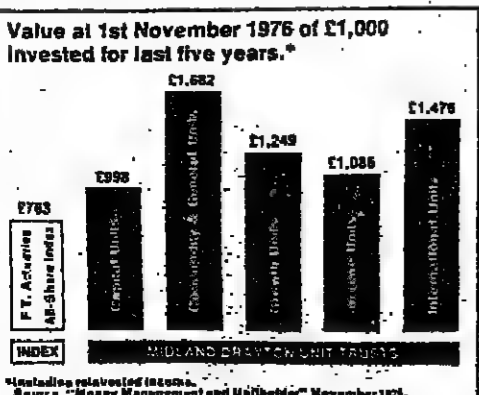
Share	Price	1976	1975
1200d	210	210	210
1200d	210	210	210

"RIGHTS" OFFERS

Share	Price	1976	1975
84	10 1/2	10 1/2	10 1/2
84	10 1/2	10 1/2	10 1/2

Renunciation date usually last day for dealing free of stamp duty. a Figures based on prospectus estimates. b Dividend rate and of stock in public account, based on dividend on full capital. c Penny premium on cash payment. d Figures based on prospectus estimates for 1976. e Figures assumed. f Cover allows for conversion of shares not now ranking for dividends of ranking only for restricted dividends. g Issued by tender. h Offered to holders of ordinary shares as a "rights" offer. i At 25p. j Rights of capitalisation. k Tender allowed price. l Introduced. m Issued in connection with reorganisation, transfer or take-over. n Introduced. o Issued to preference holders. p Allotment of shares (or fully paid) to holders of ordinary shares. q With warrants. r After suspension, KD Kuwait Dinar.

Shareholders: How did you do?



shows that they have all outperformed the F.T. Actuaries All-Share Index by a wide margin over the five years to 1st November, 1976. All of them provide a wide spread of investment, at home and overseas, under the supervision of Drayton Montagu Portfolio Management Limited.

Any shareholding worth over £300 can be exchanged for the units of your choice in one simple transaction on advantageous terms. If you'd like to know more, just send in the coupon or call in at any branch of Midland Bank, Clydesdale Bank or Northern Bank.

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Name _____

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FT 64

Midland Drayton Unit Trusts

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WALL STREET OVERSEAS MARKETS + CLOSING PRICES

Firm on Carter's comments

BY OUR WALL STREET CORRESPONDENT

A FIRMER TREND prevailed on Wall Street today, helped by comments from President-elect Carter that he has no intention of asking for Wage/Price Controls.

The Dow Jones Industrial Average rose 3.91 to 930.53, reducing its loss on the week to 6.07, while the NYSE All Common Index, at \$55.20, gained 33 cents on the day but was still off 13 cents on the week. Rises led by 977-1047, while the trading volume decreased 660,000 shares at 22.64m.

The market also gained early

strength from a sharp \$2.95m drop in the U.S. Money Supply (M1) reported yesterday.

Figures on U.S. Unemployment and Wholesale Prices were discouraging but the market expected them.

Steel and Aluminium Producers showed little change after Carter asked the Steel Industry to rescind its recent price increase.

General Motors added \$1 at \$71.3 after late November car sales rose

39 per cent. Ford held unchanged at \$36 despite a 5 per cent decline, while Chrysler put on \$1 to \$181 on a 25 per cent rise. Holly Sugar fell \$4 to \$503 after cutting its quarterly dividend by 5 cents a share.

Lykes dropped \$2 to \$131 also on a cut dividend plus its forecast of a fourth quarter operating loss.

Northern rose \$1 to \$121 on its forecast that fourth quarter earnings will be just under \$2 a share.

The American SE Market Value Index climbed 0.79 to 100.15, reducing its loss on the week to 0.37. Advances led declines 382 to 235.

FRIDAYS ACTIVE STOCKS

Stock	Change
Ind. Petro.	11.00
Ind. Chem.	10.00
Ind. Elec.	10.00
Ind. Gas	10.00
Ind. Iron	10.00
Ind. Lumber	10.00
Ind. Misc.	10.00
Ind. Oil	10.00
Ind. Paper	10.00
Ind. Rubber	10.00
Ind. Steel	10.00
Ind. Textile	10.00
Ind. Transport	10.00
Ind. Utility	10.00
Ind. Wholesale	10.00
Ind. Other	10.00

Ind. div. yield %	Nov. 26		Nov. 22		Nov. 15		Year ago approx.			
	4.25	4.24	4.24	4.25	4.25	4.25	4.25			
STANDARDS AND FEES										
	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 25	Nov. 20	1916		since completion	
							High	Low	High	Low
* Induct in	114.22	111.82	114.15	117.77	114.16	115.02	101.8	101.2	166.46	6.55
1 Compressor	102.75	102.12	102.49	105.10	102.44	104.16	107.55	107.55	2049.22	8.8
							101	101	1117.72	10.75
INDICES										
Ind. div. yield %	Dec. 1		Nov. 24		Nov. 17		Year ago approx.			
	3.75	3.77	3.77	3.77	3.77	3.77	3.77	3.77		
Ind. Div. Mch. Mch.	1.115	1.134	1.134	1.134	1.134	1.134	1.134	1.134		
Long 1 yr. (land view)	5.15	5.33	5.33	5.33	5.33	5.33	5.33	5.33		

OTHER MARKETS

Canada better

Canadian Stock Markets were better in light trading yesterday.

The Industrial Share Index rose 1.58 to 168.83. Base Metals 0.57 to 73.26. Western Oils 0.57 to 101.75. Quilts 1.19 to 137.77 and Banks 2.73 to 254.10. But Golds gave

way 4.13 to 300.55 and Papers shed 0.37 to 104.32.

PARIS—All sectors firm.

Carrefour Supermarkets S.A. rose 1.52 on higher group pre-tax turnover for first 11 months.

Foreign shares generally weakened. Americans, Germans and International Oils hesitant. Dutch shares eased. Gold Mines weak. Coppers narrowly mixed.

BRUSSELS—Most shares fell in very quiet pre-weekend trading. French stocks were up to 9 per cent higher. U.K. issues steady. U.S. and Dutch shares slightly lower. Canadians mixed. Germans little changed. Gold Mines mixed.

GERMANY—Mixed to higher mainly due to some buying by investment companies. Neckermann added DM3.70 on continued short covering on plans to put the company back on a sound financial footing. Karstadt shed DM2.

IN BANKING. Bayernverle added DM1.50 and Dresdner DM1.30, although they say 1970 operating profits will be below last year's.

CHEMICALS. Engineering and Steel mostly steady. Public Bonds gained up to DM0.65. Regulating Authorities sold net DM20m. nominal of stock. Foreign Mark Loans steady.

AMSTERDAM—Mixed to lower. Heineken recouped Fls.1.6 above its figures. Major banks weakened. State Loans were widely mixed. COPENHAGEN—Higher in fair

dealings.

OSLO—Shipments and Insurance quiet. Bankings and Industrials easy.

SWITZERLAND—Very steady on selective demand. Banks generally higher. Insurance fluctuated narrowly. Leading Industrials irregular. Chemicals mostly easier. Metals posted mixed gains.

Foreign sector fairly quiet. Dollar mixed. Dutch Internationals barely steady. Germans fluctuated slightly.

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MILAN—Higher in very active measures from the government. The Fiat up 1.50, part a strong influence on the whole list. Insurance, Properties and Banks shared in the advance.

HONG KONG—Mixed in active two-way trading.

TOKYO—Firm on expectations of further economic stimulation measures from the government. Volume 230m. (170m.)

JOHANNESBURG—Gold shares quietly mixed to firmer. Financials mixed. Also firm. Coppers mixed. Platinum steady.

Industrials slightly easier in moderately active trading.

AUSTRALIA—Most Mining and Industrial leaders showed substantial gains on sustained buying interest, attributed to new Savings Bonds interest rates rose only slightly.

Stocks London gained 30 cents to \$44.00.

STOCKHOLM

Stock	Dec 11	Dec 10	Dec 9	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sept 30	Sept 29	Sept 28	Sept 27	Sept 26	Sept 25	Sept 24	Sept 23	Sept 22	Sept 21	Sept 20	Sept 19	Sept 18	Sept 17	Sept 16	Sept 15	Sept 14	Sept 13	Sept 12	Sept 11	Sept 10	Sept 9	Sept 8	Sept 7	Sept 6	Sept 5	Sept 4	Sept 3	Sept 2	Sept 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1
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NOTES: Unlisted prices exclude a premium. Gelatin dividends are after withholding tax.

NEW YORK, Dec. 3.

PARIS—All sectors firm.

BRUSSELS—Most shares fell in very quiet pre-weekend trading.

GERMANY—Mixed to higher mainly due to some buying by investment companies.

IN BANKING. Bayernverle added DM1.50 and Dresdner DM1.30, although they say 1970 operating profits will be below last year's.

CHEMICALS. Engineering and Steel mostly steady. Public Bonds gained up to DM0.65. Regulating Authorities sold net DM20m. nominal of stock. Foreign Mark Loans steady.

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OVERSEAS SHARE INFORMATION

Stock	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sept 30	Sept 29	Sept 28	Sept 27	Sept 26	Sept 25	Sept 24	Sept 23	Sept 22	Sept 21	Sept 20	Sept 19	Sept 18	Sept 17	Sept 16	Sept 15	Sept 14	Sept 13	Sept 12	Sept 11	Sept 10	Sept 9	Sept 8	Sept 7	Sept 6	Sept 5	Sept 4	Sept 3	Sept 2	Sept 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9
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We go it alone says Richards of Sheffield

BY IAN HARGREAVES, INDUSTRIAL STAFF

IT LONG AGO, Arthur Price, England, a Birmingham-based company which makes high-quality table cutlery in Sheffield, inched a very special free offer.

The company said that it would give away free with each 30-piece set of its Sheffield Silver Cutlery, a complete 44-piece set of high-quality knives, forks and spoons.

It was a beleaguered industry's way of turning a proud fact of life of Far East imports, which in the stainless steel industry are now believed to account for 80 per cent of sales in the country.

Certainly, the gesture can be no practical effect. But the Sheffield cutlery are not used to seeing their efforts to sell what they see as Government-sponsored "dumping" fail.

The industry has maintained a steady murmur of discontent about the subject in Westminster and Whitehall, but has got no other than the setting-up of another committee of inquiry. No-one is very hopeful at much will be done.

The relationship between Richards and Imperial Knife, both of which are family companies, is long, complex and recently litigation-stricken.

Imperial is still Richards's sole agent for the Sheffield cutlery's U.S. sales, which were worth about £200,000 last year, although Richards has given notice that this arrangement will end on December 31.

Richards, which is due to set out its detailed reasons for rejecting the bid within the next few days, is unwilling to discuss the breakdown in the relationship between the companies.

What it does say is that although the Imperial bid has been quickly followed by two others from British companies, it intends to remain independent.

Scissors

One of the reasons why Richards believes it can succeed in doing so is what it claims to be a breakthrough in a new process of cold-forging scissors.

This, Richards believes, will enable it to produce high-quality scissors at lower cost and thus expand its 40 per cent share of UK manufacture of this product.

Imperial believes that Richards's profits are down from £566,000 to £292,000 and the threat of a dislocation of the company's efforts in the key growth market of the U.S. will be irretrievable.

Imperial already has interests in France and Germany and is keen to expand its European base.

Mr. Alan Parkin, president of the cutlery Sheffield-based trade association, is worried that Imperial is also keen to get hold of the "Sheffield" part of Richards's name.

But Sheffield industrialists will tell you that the cutlery industry, with U.K. sales worth about £44m a year, is not much more than a name in Sheffield these days, after years of siege warfare from Far East manufacturers.

Even the bearing of the honorary title Master Cutler in the city has not been a real cutler for a number of years.

Even so, the industry is still one of the city's top 10 employers and because Sheffield cutlery is nothing if not durable, it remains the most prominent reminder to the nation's exporters of the city's existence.

Surprise

It was in this atmosphere that Imperial Knife Associated Companies of the U.S., which has a 4m turnover, 10 days ago launched a bid to take over Richards of Sheffield, which specialises in the production of scissors and pocket knives.

Richards directors said the bid was a "surprise." That the Board's answer, the £1.5m takeover bid was unacceptable for financial and other reasons.

The First Viking Commodity Trusts

Commodity OFFER 38.0
Trust BID 37.0

Double OFFER £1.00
Option Trust

Commodity & General Management Co. Ltd
6 St George's Street
Douglas Isle of Man
Tel: 0624 4882

TAXATION AND SOCIAL SECURITY

The table shows that a married man with 2 children earning £67 a week would only be £5 better off at work than unemployed. With 4 children he would have to earn £73. The calculations, which lay behind the Chancellor's speech on Tuesday, refer to the first six months out of work during which the earnings-related supplement is paid. The assumptions are believed to be typical, but will clearly not apply to everyone.

NET INCOME IN AND OUT OF WORK MARRIED COUPLE WITH TWO CHILDREN

Assumptions:	
Children aged 4 and 6	
Rent = £4.72	
Rates = £1.90	
Work expenses = £1.75	
Gross income:	£ 67.00
Add: Family allowance	1.50
	68.50
Deduct:	
Tax	12.98
National Insurance contribution	3.85
Work expenses	1.75
Rent	4.72
Rates	1.90
Net income:	43.30

If the family head were unemployed, but had previous weekly earnings of £67, his net income would be £5.30 less.

Unemployment benefit (including earnings-related supplement):

Add:	
Family allowance	1.50
Rent rebate	3.88
Rate rebate	1.47
	6.85
Deduct:	
Rent	4.72
Rates	1.90
Net income:	39.00

If the family head were unemployed, but had previous weekly earnings of £67, his net income would be £5.30 less.

MARRIED COUPLE WITH FOUR CHILDREN

Assumptions:	
Children aged 3, 8, 11 and 16	
Rent = £5.28	
Rates = £2.18	
Work expenses = £1.75	
Gross income:	£ 73.00
Add: Family allowance	4.50
	77.50
Deduct:	
Tax	12.12
National Insurance Contribution	4.20
Rent	5.28
Rates	2.18
Work expenses	1.75
Net income:	51.87

If the family head were unemployed, but had previous weekly earnings of £73, his net income would be £5.39 less.

Unemployment benefit (inc. ERS):

Add:	
Family allowance	4.50
Rent rebate	4.72
Rate rebate	1.85
	11.07
Deduct:	
Rent	5.28
Rates	2.18
Net income:	46.56

If the family head were unemployed, but had previous weekly earnings of £73, his net income would be £5.39 less.

Heineken profits rise 30.6%

BY MICHAEL VAN OS

AMSTERDAM, Dec. 3.

HEINEKEN, the Dutch brewers, announced today that its consolidated net profit amounted to Fls.92.3m in the financial year 1975-76 representing an increase of 30.6 per cent on profits recorded the year before.

Sales have also risen substantially, to reach Fls.2.14bn. (Fls.1.94bn.).

The company said in a short statement ahead of the annual report that the net profit per share has risen to Fls.97. Taking into account the share bonus distribution of January 8, 1976, the previous year's profit per share was Fls.74.64.

Heineken added that it was pleased to pay an unchanged cash dividend of 10 per cent of the 1975-76 Fls.3.50 per share on a share capital increased by 30 per cent.

The company announced at the time of its ill-fated takeover attempt involving the Bols distillery company that its net profits in the half-year to March 1976, were Fls.34.8m.

This represented an increase of as much as 73 per cent on the same period the year before. But Heineken pointed out at the time that, compared with the first half of 1974-75, the first six months of 1974-75 had shown profits down about Fls.10m.

The brewery also said in May this year that it had succeeded in enlarging its share of the Dutch beer market still further while it had managed to show a major increase in the distilled drinks sector, too. Europe experienced an excellent summer

period which must have boosted the company's sales of beer, distilled, wines and beverages.

Meanwhile, Pakhoe has announced in Rotterdam that it intends to reorganise its tank storage activities in the Rotterdam area which means that some 30 jobs in the non-productive sphere will be lost.

The company, which is now concentrating its expansion efforts on the western hemisphere, does not expect a growing market in Europe in the foreseeable future that would necessitate significant expansion of its tankage sector. This year the company's business has been noticeably affected by disappointing results from the largely Dutch-based tank storage activities.

VW plans joint work with MAN

By GUY HAWKIN

FRANKFURT, Dec. 3. VOLKSWAGEN and Maschinenfabrik Augsburg-Nürnberg (MAN) plan to combine to produce a series of commercial vehicles in the six to nine tonnes range. The two groups will share the development, production and sales operations.

Talks on the project have been going on for some time and it was announced by MAN today that a letter of intent had finally been signed. Both companies have set up working parties to facilitate the very wide-ranging co-operation necessary for the success of the project.

To-day's statement said that the co-operation project would not affect the independence of the two groups. It was not planned to set up a separate company to undertake the work.

Barlow R. sees dividend maintenance

JOHANNESBURG, Dec. 3. BARLOW RAND should maintain its dividend policy, the chairman Mr. C. S. Barlow said in the annual report.

Mr. Barlow said budgets show little growth in earnings and a further decline in the profit mix may well take place. However, the cover is now enough to enable the company to maintain its dividend.

He said a number of companies are facing reorganisation with reduced sales, while some divisions are budgeting for increased sales and larger production.

Mr. Barlow said although the gold price is at present resilient and world prices may improve, there are no real indications of a resumption in economic growth during the company's new financial year.

This situation could change perhaps dramatically if business sentiment at home and abroad was reversed by political events. Reuter

Bermudan bond offer

ICI International Finance Ltd. of Bermuda, is to raise DM100m in the Eurobond market with the issue of 10-year bonds on an indexed 7 per cent coupon. Both the interest rate and price will be finally determined in the light of market conditions at the time of offering on December 13, but an issue price of par is expected.

Optimism at Int. Harvester

FINANCIAL TIMES REPORTER

MR. BROOKS McCormick, president and chief executive of International Harvester, announced record 1976 sales of \$5.5bn.—an increase of 4.6 per cent over 1975, and income of \$174m, a 50 per cent improvement on the year ended October 31, 1976.

"This is the fifth consecutive year we have improved earnings from continuing operations," Mr. McCormick stated.

"We are especially pleased with the increase in the return on sales, 3.2 per cent for 1976, against 2.2 per cent last year," he explained.

At the year end, the parent company was totally free of short-term borrowings and total company debt was reduced by \$218m.

"Our strengthened financial position should enable us to meet the 1977 capital plan of

\$200m, without additional long-term domestic financing."

U.S. agricultural equipment sales were up 20 per cent for the year, helped by an all-time quarterly sales record in the fourth quarter. "We expect a strong market for our new tractor line introduced in the fourth quarter, which has gained wide acceptance, and most other agricultural equipment products in 1977," Mr. McCormick forecast.

In 1976, worldwide truck operations improved from the depressed level of 1975 with sales at \$2.3bn. up from \$2.0bn.

Mr. McCormick expressed pleasure at the increased market penetration by IH in the truck markets of Great Britain, Europe and Australia.

"We expect that demand for our medium- and heavy-duty trucks will continue to grow in line with the anticipated general

improvement in economic conditions," Mr. McCormick said.

Sales in construction and industrial equipment for the year were \$668m, a decrease of about 25 per cent, from 1975 levels. The built-in lag in the economic cycle, which affects the market for this equipment, hit with full force throughout most of the year, Mr. McCormick observed.

He noted signs of improvement beginning to appear in the demand for industrial equipment used mainly in the U.S. home construction industry. He forecast a general upswing in sales of all construction equipment, but said it is not expected to appear until the second half of calendar 1977.

Mr. McCormick said that IHI subsidiaries in Australia, Canada, Great Britain and Germany reported excellent results in spite of worldwide economic variables.

Greek oil refinery dispute ends

BY NICHOLAS MICHAELIN

ATHENS, Dec. 3.

GREEK shipping magnate Stavros Niarchos and the Greek State have reached an amicable settlement of their dispute over a major oil refinery near Athens, well-informed sources said to-day.

The sources said that signature of an agreement was imminent. The dispute concerns the Greek Government's desire to complete the refinery through which it hopes to control the oil sector.

The refinery was built by the State in 1967. Under an agreement signed in 1970, the Niarchos group acquired a two-thirds share and undertook to expand its annual processing capacity from 1.5m to 5m tons of crude oil.

The two sides had resorted to international arbitration in Switzerland to sort out their differences. But it is apparently now being dropped.

refineries, one of them export-orientated. By acquiring the Aspropyrgos refinery, the Government will be in a better position to apply its oil policy.

Crude oil imports cost Greece \$862m, in 1976, accounting for 13.5 per cent of the total import bill. They reached \$955m in the first half of the year, and the anticipated price rises by producing countries will push this figure further upwards.

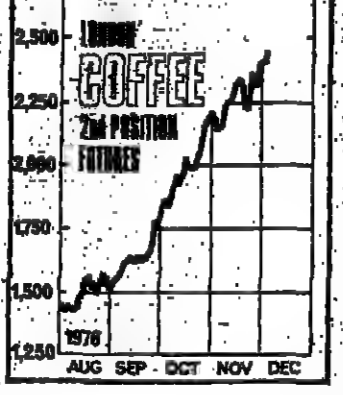
COMMODITIES/Review of the week

Coffee prices climb to new peak

BY OUR COMMODITIES STAFF

COFFEE PRICES rose to new 11-month peaks on the London futures market yesterday. The March position moved up to £2,443.5 a tonne, 342.5 higher on the day and 568.5 up on the week.

The latest increase in prices, for a fairly dull week, was parked off in New York after reports of an outbreak of coffee rust disease in Nicaragua, and El Salvador facing higher export prices.



However, in order to sustain the new "floor" the Australian Wool Corporation had to buy much greater quantities at the auctions, and even then prices fell back.

The Bradford wooltops 59s quotation was cut by 1p to 29s 4d as a result of the downward trend.

On the London Metal Exchange a cut in the U.S. domestic copper producer price of 5 cents to 65 cents a pound took the market by surprise but caused only a relatively small fall in values.

Earlier in the week London resisted a move upwards by New York reflecting a rise in Colombian export prices. But eventually the upward pressure from New York could not be resisted any longer and prices moved ahead.

Cocoa prices moved very critically falling sharply in the week as speculative profit-taking triggered off stop-loss selling, ceasing the decline, at one stage the March position in the futures market fell to £1,790 a tonne, compared with the peak of over £2,000 reached a fortnight previously.

tonne last night, 847.75 higher on the week.

The recovery was encouraged by forecasts that the Ghana purchase figure this week could be below 18,000 tons, heightening fears that the main crop there this season is likely to be well down on last year's disappointing output.

The lack of reaction was attributed to the fact that prices had already been forced lower by the absence of consumer demand, and a rise in warehouse stocks, so the producer price cut had to a large extent been discounted.

Asarco blamed the cut in price on the wide discount of LME copper compared with the U.S. producer price at 70 cents.

WEEKLY PRICE CHANGES

Commodity	Unit	1976	1975
Gold (London)	£/ounce	375.00	375.00
Silver (London)	£/ounce	15.00	15.00
Copper (London)	£/tonne	1,790.00	1,840.00
Aluminium (London)	£/tonne	1,200.00	1,200.00
Lead (London)	£/tonne	1,100.00	1,100.00
Zinc (London)	£/tonne	1,000.00	1,000.00
Nickel (London)	£/tonne	1,500.00	1,500.00
Platinum (London)	£/ounce	1,000.00	1,000.00
Palladium (London)	£/ounce	1,000.00	1,000.00
Rhodium (London)	£/ounce	1,000.00	1,000.00
Gold (New York)	\$/ounce	375.00	375.00
Silver (New York)	\$/ounce	15.00	15.00
Copper (New York)	\$/tonne	1,790.00	1,840.00
Aluminium (New York)	\$/tonne	1,200.00	1,200.00
Lead (New York)	\$/tonne	1,100.00	1,100.00
Zinc (New York)	\$/tonne	1,000.00	1,000.00
Nickel (New York)	\$/tonne	1,500.00	1,500.00
Platinum (New York)	\$/ounce	1,000.00	1,000.00
Palladium (New York)	\$/ounce	1,000.00	1,000.00
Rhodium (New York)	\$/ounce	1,000.00	1,000.00

MARKET REPORTS

BASE METALS

COPPER—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1777 and during the day moved lower to 1770 and a high point of 1781. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1785. The closing price on the LME was 1785 1/2, turnover 15,300 tonnes.

LEAD—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

ZINC—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

NICKEL—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

PLATINUM—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

PALLADIUM—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

RHODIUM—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

COCAOA—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

SUGAR—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

WHEAT—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

BARLEY—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

RYE—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

MAIZE—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

SOYBEANS—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

CORN—Steady on the London Metal Exchange in quiet trading. Forward metal opened at 1177 and during the day moved lower to 1170 and a high point of 1181. Some short covering and pre-empted bookkeeping operations helped to hold prices steady. The afternoon market was steady and improved this morning to 1185. The closing price on the LME was 1185 1/2, turnover 15,300 tonnes.

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23. 430P11	27	The following securities traded in the Share Information Service yesterday obtained New High and Low for 1975.	NEW LOWS (13) AMERICANS (1) 10 INTL.
24. 130P11	27		
25. 212P11	27		
26. 212P11	27	NEW HIGHS (8) INTERNATIONAL BANK (1) Soc. Sls. 77 3/8	BUILDINGS (3) Kerr (M. P.)
27. 212P11	27		
28. 212P11	27		
29. 212P11	27	CORPORATION LOANS (1) Bristol G.P.C. 75 7/8	HOTELS (1) Boriel Ltd.
30. 212P11	27		
31. 212P11	27		
32. 212P11	27	INDUSTRIALS (2) Richards of Stnefeld Ltd. Carriers	INDUSTRIALS (3) Barr and Strout Manchester Ship Canal
33. 212P11	27		
34. 212P11	27		
35. 212P11	27	PROPERTY (1) Thomson	TRUSTS (3) Aust. & Intl. Dreadnought Eastern
36. 212P11	27		
37. 212P11	27		
38. 212P11	27	SHIPPING (1) Allied London	AUTHORITY INVL. Savings Inds.
39. 212P11	27		
40. 212P11	27		
41. 212P11	27	OILS (1) BP	MINES (2) Minarco
42. 212P11	27		
43. 212P11	27		

	Yesterday			On the week		
	Up	Down	Same	Up	Down	Same
British Funds	17	4	41	1	1	1
Capital & Foreign Bonds	17	4	41	1	1	1
Industrials	325	156	1,185	2,342	1,303	5,031
Financials and Prop.	192	29	827	783	332	1,414
Plantation	32	6	31	21	22	22
Mines	5	7	31	21	22	22
Recent Issues	21	28	76	128	157	157
	5	2	15	20	18	18

No.		Denomina- tion	Closing price (p)	Change on day	1976 high	1978 low
(35)	Stock	25p	12	408	+ 2	462
	Shell Transport	£1	11	754	+ 18	754
	BP	25p	10	211	+ 1	225
	RATs Deid.	25p	10	211	+ 1	225
	Chloride Group	Nil/Pd.	10	16*	+ 2	18*
	"New"	25p	8	342	+ 2	310
	Beecham	£1	9	128	+ 2	124
	Gu's "A"	25p	8	238	+ 2	223
	ICI	£1	9	285	+ 2	402
	Marks & Spencer	£1	9	68	+ 2	108
	Lanrho	25p	8	58	+ 2	101
	Assoc. Eng'g	Nil/Pd.	7	121*	+ 1	131*
	Reliance	£1	5	213	+ 5	350
	Cons. Gold Fields	25p	7	151	+ 5	220
	GEC	25p	7	188	+ 4	166
	Glaxo	50p	7	367	+ 1	422
	GKN	£1	7	238	+ 4	280

The above list of active stocks is based on the number of bargains recorded yesterday in this Official list and under Rule 163(1) (a) "Premium".

[illegible]

OPTION DEALING DATES

First Last	Spear and Jackson, Audiotronics
Deal-Declar-	Consolidated Plantations W.
ings agm	rants, Peachey Property, Gai-
	way Securities and Burnham O.
Nov.23 Dec. 6 Feb. 24	A put was done in Beecham
Dec. 7 Dec. 20 Mar. 10	while doubles were arranged
Dec. 21 Jan. 11 Mar. 24	A Marks and Spencer, ICI, EA
Calls were dealt in	Louro, and Shell Transport.

(NH)	Industry	No.	Industry	No.	Industry	No.	Industry	No.
2 (S)			17	Manufacturing	22	Health, Land...	5	
3 (S)			18	Manufacturing	23	Health, Land...	5	
4 (S)			19	Manufacturing	24	Health, Land...	5	
5 (S)			20	Manufacturing	25	Health, Land...	5	
6 (S)			21	Manufacturing	26	Health, Land...	5	
7 (S)			22	Manufacturing	27	Health, Land...	5	
8 (S)			23	Manufacturing	28	Health, Land...	5	
9 (S)			24	Manufacturing	29	Health, Land...	5	
10 (S)			25	Manufacturing	30	Health, Land...	5	
11 (S)			26	Manufacturing	31	Health, Land...	5	
12 (S)			27	Manufacturing	32	Health, Land...	5	
13 (S)			28	Manufacturing	33	Health, Land...	5	
14 (S)			29	Manufacturing	34	Health, Land...	5	
15 (S)			30	Manufacturing	35	Health, Land...	5	
16 (S)			31	Manufacturing	36	Health, Land...	5	
17 (S)			32	Manufacturing	37	Health, Land...	5	
18 (S)			33	Manufacturing	38	Health, Land...	5	
19 (S)			34	Manufacturing	39	Health, Land...	5	
20 (S)			35	Manufacturing	40	Health, Land...	5	
21 (S)			36	Manufacturing	41	Health, Land...	5	
22 (S)			37	Manufacturing	42	Health, Land...	5	
23 (S)			38	Manufacturing	43	Health, Land...	5	
24 (S)			39	Manufacturing	44	Health, Land...	5	
25 (S)			40	Manufacturing	45	Health, Land...	5	
26 (S)			41	Manufacturing	46	Health, Land...	5	
27 (S)			42	Manufacturing	47	Health, Land...	5	
28 (S)			43	Manufacturing	48	Health, Land...	5	
29 (S)			44	Manufacturing	49	Health, Land...	5	
30 (S)			45	Manufacturing	50	Health, Land...	5	
31 (S)			46	Manufacturing	51	Health, Land...	5	
32 (S)			47	Manufacturing	52	Health, Land...	5	
33 (S)			48	Manufacturing	53	Health, Land...	5	
34 (S)			49	Manufacturing	54	Health, Land...	5	
35 (S)			50	Manufacturing	55	Health, Land...	5	
36 (S)			51	Manufacturing	56	Health, Land...	5	
37 (S)			52	Manufacturing	57	Health, Land...	5	
38 (S)			53	Manufacturing	58	Health, Land...	5	
39 (S)			54	Manufacturing	59	Health, Land...	5	
40 (S)			55	Manufacturing	60	Health, Land...	5	
41 (S)			56	Manufacturing	61	Health, Land...	5	
42 (S)			57	Manufacturing	62	Health, Land...	5	
43 (S)			58	Manufacturing	63	Health, Land...	5	
44 (S)			59	Manufacturing	64	Health, Land...	5	
45 (S)			60	Manufacturing	65	Health, Land...	5	
46 (S)			61	Manufacturing	66	Health, Land...	5	
47 (S)			62	Manufacturing	67	Health, Land...	5	
48 (S)			63	Manufacturing	68	Health, Land...	5	
49 (S)			64	Manufacturing	69	Health, Land...	5	
50 (S)			65	Manufacturing	70	Health, Land...	5	
51 (S)			66	Manufacturing	71	Health, Land...	5	
52 (S)			67	Manufacturing	72	Health, Land...	5	
53 (S)			68	Manufacturing	73	Health, Land...	5	
54 (S)			69	Manufacturing	74	Health, Land...	5	
55 (S)			70	Manufacturing	75	Health, Land...	5	
56 (S)			71	Manufacturing	76	Health, Land...	5	
57 (S)			72	Manufacturing	77	Health, Land...	5	
58 (S)			73	Manufacturing	78	Health, Land...	5	
59 (S)			74	Manufacturing	79	Health, Land...	5	
60 (S)			75	Manufacturing	80	Health, Land...	5	
61 (S)			76	Manufacturing	81	Health, Land...	5	
62 (S)			77	Manufacturing	82	Health, Land...	5	
63 (S)			78	Manufacturing	83	Health, Land...	5	
64 (S)			79	Manufacturing	84	Health, Land...	5	
65 (S)			80	Manufacturing	85	Health, Land...	5	
66 (S)			81	Manufacturing	86	Health, Land...	5	
67 (S)			82	Manufacturing	87	Health, Land...	5	
68 (S)			83	Manufacturing	88	Health, Land...	5	
69 (S)			84	Manufacturing	89	Health, Land...	5	
70 (S)			85	Manufacturing	90	Health, Land...	5	
71 (S)			86	Manufact				

	Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum Life of term	Year
Barnet (01-202 8282)	13 1/2	1-year	500	3-4	
Barnet (01-202 8282)	13 1/2	1-year	5,000	2-4	
Barnsley (0226 203232)	13 1/2	1-year	250	1-3	
Barnsley (0226 203232)	14	1-year	2,000	1-3	
Bournemouth (0262 22066)	13 1/2	1-year	500	2-3	
Brewarsh (0602 303361)	14	1-year	5,000	1-3	
Greenwich (01-834 5888)	13 1/2	1-year	1,000	4-7	
Greenwich (01-834 5888)	14	1-year	5,000	4-7	
Grimsby (0472 59161)	13 1/2	1-year	500	2-4	
Liverpool (051 227 3911)	13 1/2	1-year	500	3-3	
Liverpool (051 227 3911)	14	1-year	500	4-6	
Poole (02013 5151)	13 1/2	1-year	500	2-4	
Redbridge (01-478 3020)	13	1-year	500	4-5	
Redbridge (01-478 3020)	13 1/2	1-year	500	1-2	
Redditch (0527 67691)	14	1-year	1,000	3-6	
Redruff (0602 511511)	13 1/2	1-year	500	1	
Sutton (051 922 4040)	14	2-year	2,000	3-5	
Southend (0702 40451)	13 1/2	1-year	250	2	
Swansea (0792 50521)	13 1/2	1-year	1,000	2-4	
Sutton (01-642 6060)	13 1/2	1-year	500	2-4	
Thurrock (0375 5122)	13 1/2	1-year	300	1-2	
Wandsworth (01-874 6161)	14	1-year	5,000	5-7	
Wandsworth (01-874 6161)	13 1/2	1-year	1,000	5-7	
West Yorkshire (0824 67111)	13	1-year	500	2-4	
Wrekin (0832 505051)	14	yearly	1,000	1-3	
Wrekin (0852 505051)	14 1/2	maturity	1,000	2	

	Deposit Rate	Share Acctns.	Sub'n- Shares	Variable Term Shares
City National	7.35%	7.80%	9.05%	8.55% 2 years £1,000-£10,000
City of London	7.55%	7.80%	9.05%	9.55% 4 years £100-£10,000
City of London	7.35%	7.80%	9.05%	8.80% 3 years, min. £500 8.55% 2 yrs.
City of London Incorporated	7.35%	7.80%	9.10%	8.30% 2 yrs. min. £500 8.05% 1 yr
City of London and Bingley	7.55%	7.80%	9.10%	9.05% 3 years min. £500 2 years 8.55%
City of London and West	7.55%	7.80%	9.10%	—
City of London Economic	7.55%	7.80%	9.10%	8.05% 3 months' notice
City of London	7.55%	7.80%	9.05%	9.55% 5 years £1,000 minimum
City of London	7.55%	7.80%	9.05%	8.55% Minimum £500 2 years' term
City of London	7.55%	7.80%	9.10%	—
City of London	7.20%	8.00%	8.50%	— 8.25% over £5,000
City of London	7.55%	7.80%	9.55%	8.55% Minimum £500 6 months' notice
City of London	7.55%	7.80%	9.55%	9.55% 3 years £500-£10,000
City of London	7.55%	8.12%	9.55%	9.13% 3 years £5,000 minimum
City of London	7.80%	8.30%	9.25%	9.37% 3 years
City of London Economic	7.55%	7.80%	9.75%	8.65% 8.80% 3 mths. notice aff. 8 mths
City of London	7.55%	7.80%	9.05%	8.55% Minimum £5,000 3 months' notice
City of London	7.55%	7.80%	9.10%	8.55% Min. £500 3 yrs 8.55% 2 yrs.
City of London	8.00%	8.50%	9.05%	8.75% 2 years fixed
City of London	7.55%	8.05%	8.30%	8.60% Minimum £1,000 3 mths. notice
City of London	7.55%	7.80%	9.05%	8.55% Minimum £500 2 years' term
City of London	7.55%	7.80%	9.05%	8.55% 2 years £250-£10,000
City of London	7.55%	8.00%	9.25%	8.75% 2 yrs. £1,000 min. 9% over 3 yrs
City of London	7.75%	8.25%	—	8.50% Minimum £2,000 6 months' notice
City of London	7.55%	7.80%	10.55%	8.55% £100-£10,000 2 yrs. 3.80% 3 yrs.
City of London	7.65%	7.80%	10.38%	9.00% Minimum £1,000 1 year fixed
City of London	7.55%	7.80%	9.55%	—
City of London	7.55%	7.80%	9.05%	8.55% 2-4 years.
City of London	7.55%	7.80%	9.60%	9.10% Min. £1,000 over 2 yrs. 6 mths. n.
City of London	7.55%	7.80%	9.05%	9.05% 3 yrs. min. £1,000 8.80% 2 yrs.
City of London	7.70%	8.00%	—	—
City of London	7.55%	7.80%	9.05%	8.55% Minimum £1,000 6 months' notice
City of London	7.55%	7.80%	9.35%	8.55% 4 yrs min. £500 3 yr 9.05% 3 yr 8.55%
City of London	7.55%	7.80%	9.55%	9.55% 4 years £1,000 minimum
City of London	7.55%	7.80%	9.10%	8.55% Min. £100 2 yrs. 3.10% 3 yrs.
City of London	7.55%	7.80%	9.00%	—
City of London	7.55%	7.80%	9.05%	—
City of London	7.55%	7.80%	9.55%	8.65% 3 months' notice
City of London	7.55%	7.80%	9.05%	9.55% 4 yrs. 8.65% 3 yrs. 8.55% 2 yrs.
City of London	7.55%	7.80%	9.05%	9.55% 4 yrs. 8.55% 3 yrs. 8.55% 2 yrs.
City of London	7.55%	7.80%	9.05%	8.25% 2 yrs. to 8.75% over £5,000 6 mths
City of London	7.55%	7.80%	10.00%	9.10% 3 years £1,000-£10,000
City of London	7.55%	7.80%	9.25%	8.80% Minimum £500 2 years' term

Name and description	Size (sq.m.)	Current price	Terms*	Con- version dates	Flat yield	Red yield	Premium†		Income			Cheap(+) / Dear(-)‡
							Current	Range‡	Equ.s	Conv.s	Dif.***	Current
Alcan Aluminium 9pc Cr. 89-94	12.06	68.00	100.0	76-80	13.1	13.8						
Associated Paper 91pc Cr. 88-90	1.40	53.00	200.0	76-84	17.6	19.1	103.8	28 to 115	35.9	40.3	16.9	-88.9
Bank of Ireland 10pc Cr. 91-96	10.25	93.00	33.7	77-84	11.0	11.1	13.2	8 to 24	26.7	46.0	11.3	-1.9
BPE 74pc Cr. 89-94	4.89	60.25	62.0	72-80	13.2	14.2	8.0	0 to 19	17.5	21.2	6.7	~ 1.3
English Property 61pc Cr. 98-03	8.84	70.50	234.0	76-77	9.3	9.7	-7.3	-26 to 18	3.5	0.0	-4.6	+ 2.7
English Property 12pc Cr. 00-05	15.31	75.50	130.0	76-84	16.1	16.2	54.9	29 to 39	27.5	32.4	5.1	~ 2.7
Grand Metropolitan 10pc Cr. 91-96	123.09	60.75	120.2	73-78	17.0	17.4	5.3	-7 to 23	10.5	9.2	-2.2	- 7.5
Hanson Trust 61pc Cr. 88-93	4.51	60.75	57.1	76-82	10.9	12.2	13.7	-3 to 66	21.9	25.2	2.4	-11.3
Hewden-Stuart Tpe Cr. 1995	0.20	80.00	206.0	75-77	9.0	9.6	-3.8	-3 to -3	7.2	3.4	-4.6	- 1.8
Leons, J. 71pc Cr. 1981	3.60	57.00	22.7	73-81	13.0	23.2	485.3	550 to 501	10.9	24.0	134.9	-348.4
Sloagh Estates 10pc Cr. 87-90	5.50	101.00	125.0	78-87	9.8	9.7	26.2	10 to 94	29.1	31.5	21.7	+ 3.5
Tozer, Kemsky & Spc Cr. 1981	7.52	75.00	133.8	74-79	10.8	15.7	57.3	11 to 67	12.3	16.5	8.4	-43.9
Wilkinson Match 10pc Cr. 82-85	11.10	73.00	40.0	70-83	12.7	12.9	57.3	57 to 67	24.0	40.8	29.5	- 7.8

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible calculated as per cent. of the cost of the equity in the convertible stock. ‡ Three month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income is calculated in pence, assumed from current time until the conversion date. ¶ Conversion dates are given in years. ** Difference between income on £100 of conversion date whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. *** This is income of the convertible less income of the underlying equity converted.

FINANCIAL TIMES STOCK INDICES

	Dec. 3	Dec. 3	Dec. 1	Nov. 30	Nov. 30	Nov. 30	Nov. 30
Government Secs.	56.26	57.23	57.28	58.10	58.56	58.56	58.56
Fixed Interest	56.06	57.23	57.28	57.94	58.02	57.91	57.91
Industrial Ordinary	505.3	500.9	501.8	507.6	508.4	508.8	508.8
Gold Mines	132.3	133.8	133.1	131.6	130.9	132.7	132.7
Oil, Dr. & Prod.	7.16	7.30	7.25	7.32	7.28	7.21	7.21
Earning Yr. & Ind. Av.	22.32	22.55	22.65	22.99	22.81	22.50	22.50
P. & R. ratio m/c	8.86	8.48	8.48	8.38	8.47	8.46	8.46
Dividends (m/c)	5.626	5.530	5.519	4.193	4.016	4.128	4.128
Equity turnover %		35.15	35.27	35.11	35.23	35.21	35.21
Equity Capital Total		8.171	8.603	9.051	9.037	10.472	10.472

10 a.m. 252.3 11 a.m. 261.3 2 p.m. 263.9 3 p.m. 263.9 5 p.m. 261.9

1936		Share Contributions		S.E. ACTIVITY	
	High	Low	High	Low	Dec. 5
Invest. Secs.	65.21	55.36	147.9	49.18	149.4
	65.21	57.19	(91.56)	51.75	111.6
Fixed Int.	65.21	55.36	150.55	50.55	25.1
	65.21	57.19	151.97	51.19	87.5
Inst. Ord.	490.8	465.5	49.4	49.4	169.0
	490.8	477.7	49.25	52.60	169.0
Gold Mktg.	246.9	75.5	448.5	42.5	24.9
	246.9	75.5	448.5	42.5	87.5

Hopes that block 11/30 in the North Sea will soon disclose favourable drilling results favoured P & O Deferred to rise 3 1/2 to 11 1/2; the group owns 15 per cent of the block. E&S, where where the drilling results edged forward a penny more to 12 1/2, making a rise of 25 on the week on a bullish broker's circular.

Australians steadier

Australians ended an eventful week on a firm note but trade again was reported as minimal. London prices were steady but were ahead in line with the trend in overnight home markets but were still substantially lower over the week. The dollar last week-end.

Yesterday **MIN Holdings** gained 8 1/2 to 19 1/2 but still showed a fall of 14 over the week, while **Panconia** rose 1 1/2 to 10 1/2. **Wool** at 700p were 130p down over the longer period. **Vulcan Minerals** ahead. **Selection Trust** was 100p down over the week but sharply in late trading to 20 higher at 30 1/2p. Gold improved 4 to 15 1/2p, after a 10p fall on Thursday. **Unclench** 410p on Thursday but rumours took the share to 40p. **Elsewenger** 400p on Thursday but 100p down on the disappointing final day.

BASE LENDING RATES

Allied Irish Banks Ltd.	.....
American Express Bank	.....
Anatto-Portuguese Bank	.....
Henry Ansbacher	.....
Barclay Bank	.....
Bank of Credit & Commerce	.....
Bank of Cyprus	.....
Bank of N.S.W.	.....
Bank of Rome S.A.	.....
Barclays Bank	.....
Barnett, Christie, Ltd.	.....

EQUITY GROUPS						Friday, December 8, 1978										Highs and Lows Index			
Index No.	Day's Change %	Est. Earnings (Mill)	Gross Div. Yield at 30% (AAT Corp.)	P/E Ratio (incl corp.)	P/E Ratio (excl corp.)	Index No.	Index No.	Index No.	Index No.	Index No.	1978		Since Completion						
											High	Low	High	Low					
Figures in parentheses show number of stocks per section																			

1	CAPITAL GOODS (178)	114.07	-1.5	23.91	8.56	6.29	5.17	112.36	112.42	110.83	112.00	126.18	161.08	100.85	906.27	54.71
2	Building Materials (30)	93.97	+1.5	94.70	10.28	6.08	6.08	92.82	93.45	98.08	95.31	123.18	150.18	85.23	545.24	46.27
3	Contracting, Construction (22)	119.53	...	81.99	7.81	4.28	...	136.98	136.81	127.83	137.94	945.00	350.84	122.00	83.74	11.1674
4	Electricals (16)...	223.70	+2.4	19.93	8.34	7.48	7.98	118.54	116.94	211.50	216.18	344.51	127.10	127.10	160.78	10.1674
5	Engineering (Heavy) (13)	145.84	...	73.65	9.14	4.32	...	143.82	143.34	140.53	148.01	160.34	199.18	132.36	802.27	64.58
6	Engineering (General) (65)	107.87	+1.1	24.21	8.69	6.10	6.09	102.71	100.78	105.05	108.28	119.91	11.39	127.10	127.10	12.7674
7	Machine and Other Tools (9)	81.87	+0.8	19.06	8.56	7.83	7.81	81.46	81.58	80.42	80.74	48.85	150.18	127.10	127.10	12.7674
8	Miscellaneous Goods (23)	98.66	...	23.68	9.24	6.45	...	97.38	97.91	92.31	97.83	97.83	118.13	141.94	90.23	177.41
9	CONSUMER GOODS (DURABLE) (53)	97.43	+1.0	55.01	7.24	8.99	5.98	95.43	95.41	95.15	97.06	114.17	161.45	85.12	227.78	58.89
10	Lt. Electronics, Radio TV (15)	104.37	+1.3	93.26	5.63	5.35	...	102.96	101.42	103.96	103.98	129.28	150.18	87.11	261.87	43.95
11	Household Goods (13)...	108.31	+0.5	86.22	11.10	5.40	5.38	107.75	108.22	108.17	108.75	162.98	150.18	87.11	261.87	43.95
12	Motors and Distributors (25)	66.71	...	85.99	8.53	5.69	5.69	66.15	66.47	65.23	66.21	67.34	65.16	85.10	170.99	13.91
13	NON-DURABLES (170)	118.57	+1.6	19.35	9.39	7.82	7.75	116.05	117.88	114.55	116.75	147.44	162.94	85.12	227.78	58.89
14	Bewerables (15)	122.76	...	10.26	9.41	7.78	7.75	118.02	120.88	117.90	118.18	163.40	170.94	85.12	227.78	58.89
15	Wines and Spirits (8)...	136.87	...	17.82	8.20	8.71	8.71	135.86	135.78	135.48	134.66	160.44	162.94	85.12	227.78	58.89
16	Entertainment, Catering (15)	145.04	+2.3	27.72	8.97	8.51	8.51	143.41	146.79	145.51	145.56	183.94	211.38	137.11	227.78	58.89
17	Food Manufacturing (23)	134.35	+1.0	81.48	9.95	7.04	6.92	123.02	123.27	123.45	123.74	161.21	170.94	85.12	227.78	58.89
18	Food Retailing (16)	131.71	...	17.58	7.11	5.87	5.87	110.97	110.94	110.69	118.71	143.26	162.94	85.12	227.78	58.89
19	Newspapers, Publishing (16)	161.58	+1.9	14.60	5.91	10.38	10.38	178.08	178.68	175.58	178.67	160.71	129.46	148.45	227.78	58.89
20	Packaging and Paper (12)	81.38	+1.1	21.95	8.99	6.99	6.99	84.64	81.91	80.51	84.43	101.15	118.10	75.13	155.69	45.08
21	Stores (34)	98.15	+1.4	16.78	7.78	5.19	5.17	90.94	90.24	88.07	88.98	122.78	162.94	85.12	227.78	58.89
22	Textiles (24)	104.50	...	19.50	11.34	8.03	7.81	100.47	105.57	103.28	105.68	159.98	183.94	85.12	227.78	58.89
23	Tobacco (3)	189.55	+1.9	23.18	9.12	6.44	6.44	185.01	187.50	184.48	188.08	210.89	227.78	85.12	227.78	58.89
24	Toys and Games (6)	68.14	-0.3	24.29	9.31	5.53	5.50	68.38	68.32	67.98	68.32	60.53	60.53	60.53	60.53	60.53
25	OTHER GROUPS (96)															
26	Chemicals (28)	177.43	-1.1	18.28	5.51	7.47	7.47	175.42	174.65	170.73	175.97	192.16	251.86	155.10	251.59	71.30
27	Office Equipment (9)	61.67	-1.6	19.59	8.56	7.46	7.46	62.83	63.55	63.38	62.91	87.33	100.18	127.10	127.10	12.7674
28	Shipping (12)	549.57	-1.6	15.24	7.90	9.89	9.85	544.01	546.97	537.66	543.81	579.86	118.02	127.10	127.10	12.7674
29	Miscellaneous (48)	123.12	+1.2	18.30	9.37	7.78	7.78	121.88	121.90	119.58	121.24	180.82	172.99	108.14	258.83	60.29

39	INDUSTRIAL GROUP (498)	121.84	+1.4	30.44	8.05	7.35	7.17	130.18	130.53	116.16	130.64	146.96	166.66	107.88	188.17	69.31
		(121.00)		(30.00)	(8.00)	(7.00)	(7.00)	(130.00)	(130.00)	(116.00)	(130.00)	(146.00)	(166.00)	(107.00)	(188.00)	(69.00)
40	OILS (4)	594.81	+1.6	10.80	4.44	10.72	9.87	867.96	594.51	386.58	591.14	888.88	592.34	614.67	431.66	87.84
		(594.00)		(10.00)	(4.00)	(10.00)	(9.00)	(867.00)	(594.00)	(386.00)	(591.00)	(888.00)	(592.00)	(614.00)	(431.00)	(87.00)
41	500 SHARE INDEX	1434.41	+1.4	18.48	7.58	7.75	7.58	1414.40	1414.30	1339.41	1414.97	161.67	156.00	125.50	127.95	56.49
		(1434.00)		(18.00)	(7.00)	(7.00)	(7.00)	(1414.00)	(1414.00)	(1339.00)	(1414.00)	(161.00)	(156.00)	(125.00)	(127.00)	(56.00)
42	FINANCIAL GROUP (100)	100.77	+1.6	—	7.82	—	—	99.16	96.37	86.94	98.30	163.12	165.46	119.9	391.41	65.88
		(100.00)			(7.00)			(99.00)	(96.00)	(86.00)	(98.00)	(163.00)	(165.00)	(119.00)	(391.00)	(65.00)
43	Banks (8) ...	123.35	+1.6	87.56	5.58	5.55	100.65	118.42	116.14	118.56	164.91	—	165.01	128.00	147.62	116.07
		(123.00)		(87.00)	(5.00)	(5.00)	(100.00)	(118.00)	(116.00)	(118.00)	(164.00)		(165.00)	(128.00)	(147.00)	(116.00)
44	Discount Houses (10) ...	121.10	+0.2	10.65	—	—	—	130.90	130.18	129.48	130.94	165.55	165.55	131.00	160.78	116.03
		(121.00)		(10.00)				(130.00)	(130.00)	(129.00)	(130.00)	(165.00)	(165.00)	(131.00)	(160.00)	(116.00)
45	Hiro Purchase (5) ...	66.85	+0.2	10.87	8.93	20.47	20.47	66.38	66.47	64.68	66.87	100.92	122.10	58.25	435.74	18.85
		(66.00)		(10.00)	(8.00)	(20.00)	(20.00)	(66.00)	(66.00)	(64.00)	(66.00)	(100.00)	(122.00)	(58.00)	(435.00)	(18.00)
46	Insurance (Life) (10) ...	61.25	+1.0	—	9.51	—	—	60.41	60.55	79.68	60.21	118.96	129.45	75.11	194.46	44.58
		(61.00)			(9.00)			(60.00)	(60.00)	(79.00)	(60.00)	(118.00)	(129.00)	(75.00)	(194.00)	(44.00)
47	Insurance (Composite) (7) ...	79.23	+1.3	—	9.35	—	—	77.84	78.52	76.96	78.28	106.35	106.35	80.01	185.67	42.76
		(79.00)			(9.00)			(77.00)	(78.00)	(76.00)	(78.00)	(106.00)	(106.00)	(80.00)	(185.00)	(42.00)
48	Insurance Brokers (9) ...	214.83	+0.7	13.59	8.49	10.70	10.70	215.92	215.52	210.01	211.78	280.93	275.90	476.97	276.50	85.56
		(214.00)		(13.00)	(8.00)	(10.00)	(10.00)	(215.00)	(215.00)	(210.00)	(211.00)	(280.00)	(275.00)	(476.00)	(276.00)	(85.00)
49	Merchant Banks (16) ...	49.88	+0.7	—	8.46	—	—	49.94	49.06	48.08	48.78	98.01	97.50	45.15	177.80	51.21
		(49.00)			(8.00)			(49.00)	(49.00)	(48.00)	(48.00)	(97.00)	(97.00)	(45.00)	(177.00)	(51.00)
50	Property (32) ...	128.83	+3.0	4.98	4.20	35.78	35.83	128.11	121.94	118.66	120.44	164.37	164.57	100.01	116.72	60.98
		(128.00)		(4.00)	(4.00)	(35.00)	(35.00)	(128.00)	(121.00)	(118.00)	(120.00)	(164.00)	(164.00)	(100.00)	(116.00)	(60.00)
51	Miscellaneous (8) ...	61.03	+0.5	23.01	14.13	8.51	8.51	60.71	60.71	60.71	79.75	—	91.56	50.17	50.	50.99
		(61.00)		(23.00)	(14.00)	(8.00)	(8.00)	(60.00)	(60.00)	(60.00)	(79.00)		(91.00)	(50.00)	(50.00)	(50.00)
52	Investment Trust (50) ...	155.68	+0.9	3.96	5.71	26.05	26.05	184.41	162.84	151.13	151.49	168.98	184.55	115.09	293.79	71.62
		(155.00)		(3.00)	(5.00)	(26.00)	(26.00)	(184.00)	(162.00)	(151.00)	(151.00)	(168.00)	(184.00)	(115.00)	(293.00)	(71.00)

[illegible]

FIXED INTEREST				Index No.	Yield %	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Oct. 31	Sept. 30	Aug. 31	Jul. 31	Jun. 30	May 31	Apr. 30	Mar. 31	Feb. 29	Jan. 31	1976	Completion			
																		(approx.)	High	Low	High	Low		
1	Consols 2 1/4% yield ...	---	16.07	15.06	15.08	15.16	15.04	15.02	15.02	15.02	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96	14.96
2	20-yr. Govt. Stocks (6) ...	44.21	14.61	14.26	14.28	14.18	14.41	14.43	14.43	14.43	14.40	14.52	14.52	14.52	14.52	14.52	14.52	14.52	14.52	14.52	14.52	14.52	14.52	14.52
3	20-yr. Red. Deb. & Loans (15)	45.02	16.31	14.50	14.50	14.55	14.43	14.49	14.49	14.49	14.54	14.64	14.64	14.64	14.64	14.64	14.64	14.64	14.64	14.64	14.64	14.64	14.64	14.64
4	Investment Trust Profs. (15) ...	43.84	15.86	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69
5	Coml. and Indl. Profs. (20) ...	60.68	14.88	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62	10.62

Section or Group

Start Date

Base Value

Overseas Traders

3/12/72

100.00

Engineering (Heavy)

3/12/72

153.84

Engineering (General)

3/12/72

153.84

Wines and Spirits

1/1/70

164.76

Food & Games

1/1/70

153.72

Electric Equipment

1/1/70

128.20

Industrial Group

3/12/72

128.20

Multinational Financial

3/12/72

128.20

Food Manufacturers

2/12/72

114.13

Section or Group

Start Date

Base Value

Food Retailing

2/12/67

114.13

Insurance Brokers

2/12/67

94.67

Mining Companies

2/12/67

100.00

All Other

10/1/62

100.00

3 Repetitive yield. FT-Accruals indices are calculated by Exel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 570 computer.

A list of the constituents of the FT-Accruals

Share indices is now available from the Publishers: The Financial Times and Stock Exchange, Cannon Street, London, EC4A 3DF, price £5. By post 25p.

A record of the indices, cost £35, is obtainable from FT Business Enterprises, 15, Bolt Court, London, EC4A. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 and quarterly highs and lows. Dividend and earnings figures are also included.

5050 5050 5050

SECRET

Secondary issues provided most of the interest in the Miscellaneous Industrials yesterday. Allied Chemicals, Barclays Bank, British Overseas Airways Corp., and British Petroleum attracted speculative attention and were standing at 20p, 2 net 4 higher on the day and 7 up on the week when, at 5.10 p.m., the company's request pending an announcement. Hopes of an improved offer following the board's strong rejection of the proposal for a 10% increase in the dividend. Richards Sheffield advanced to a 1978 high of 24½, while "Boover" A improved 3 to 100p following a 70p performance in the first half on satisfaction with the group's performance and Mains edged forward a penny to 49p ahead on Monday's recovery in the general market. Left: Whatman Rose fell 1½ to the 200d at 150p, while buyers also came for Baxter Fell which rose 8 to 85p and Redfurn 1½ to 100p. The day's best improvements of around 4 were recorded in Cawoods, 70p, Elliott and Fry, 71p, of the quietly advancing general, and Scottish and Newcastle. Universal Investments improved a further 3 to 59p on continuing reports that the air had now been cleared of the bomb threat and that the company's dealings in the shares of the aircraft touched 342½ before closing a net 3 harder at 338p. Motors and Distributors closed a net 2½ higher at 100p, and in a quietly firm note, sentiment improved in the afternoon, with the maintenance engineers at the Rubery Owen components factory intended to continue their

which have given impetus to the upturn. Yesterday the advance was spread across the gains of 1½ to 100p in Proprietary Holdings, 4 20p, and about 8 in Baslemere Estates, 154p, Stock Conversion, 144p, and Bernard Matthews, 140p. The day's speculation has also revived noticeably lifting among other City Offices, 29½, and Country and City, 29½, both 8½ higher yesterday. Estate Agents rose 4 to 51p, Jermyn Investment a like amount to 28p and Brixton Estates 4 to 35p. Of the leaders, 100p in the day's advance, up 1, while Land Securities improved 2 further to 117p, after 115p. Australian advice raised Lead Lease 13 to 175p.

The influence in British Petroleum was continued U.S. support, comment on the third quarter figures did little more than sustain sentiment, and the day's advance was 75½, up 18 on the day. Should were a rather sensitive market and, after rising to 412d, closed only a net 2 decline at 408p.

U.S. steel refining was a comment. Wirestrand improved more to 125p in Investment Trusts. Edinburgh Investments hardened a similar amount to 143p, but Australian and International lost 1½ to 100p. The day's further consideration of the Australian evaluation. Among Financials, Authority Investments lost 2½ to 16p on the interim dividend omission and first-half results. The day's remarks about second-half prospects. West of England, however, put on 3 to 147p, and S. Pearson added 3 to 202p.

Bank of England Minimum Lending Rate 14½ per cent (since November 19, 1976)

The Treasury bill rate fell by 0.07 per cent, to 14.0175 per cent, yesterday's tender and Bank of England Minimum Lending Rate was unchanged at 14½ per cent. The minimum accepted rate was £96.50, compared with £96.50 previously, and bids at that level were met as to about 75 per cent. The \$500m. bills transaction will be replaced by a \$500m. will be on offer replacing maturities of \$600m.

Day-to-day credit was in good supply in the London money market and the authorities did not intervene. Banks carried forward surplus balances from Thursday, and substantial Government disbursements outweighed revenue payments to the Exchequer. On

[illegible][illegible]

EXCHANGES AND BULLION

Sterling closed slightly weaker against the U.S. dollar and most of its major currencies in the foreign exchange market yesterday. The dollar also lost ground in terms of most European currencies and the pound and dollar tended to move together for most of the day. There were

The pound opened at \$1.6655-1.6665, but eased to \$1.6625 around mid-day. It touched a low point of \$1.6595-1.6605, before closing at \$1.6625-1.6635, a fall of 18 points one day.

The dollar-weighted depreciation since the Washington Agreement, as calculated by the Bank of

major domestic factors pressing sterling, but the easier dollar in U.S. interest rates tended to depress it. The pound's value against the dollar is expected to be lower than last year, as the U.S. dollar interest rates are generally lower than at any time this year. The dollar's trade-weighted average appreciation against the Washington Currency Unit is expected to be 10.5 per cent, according to a survey conducted by Morgan Guaranty & Co. New York narrowed to 0.05 per cent from 0.10 per cent in England, widened to 45 per cent from 44.3 per cent.

The Canadian dollar was a little firmer against the dollar, rising from 97.524 U.S. cents, compared with 97.161 U.S. cents previously.

Gold gained 6½ to \$1304-131½. The Kruggerand's premium over its gold content widened to 3.14 from 2.98 per cent, but domestic delivery was 10 per cent from 2.58 per cent to the

Dec. 5	Frankfurt	New York	Paris	Moscow	London	Stuttgart	Berlin
mark		1.00 407	1.32 20	1.94 72	1.01 010	90.84 98.0	92.07 19
11:54:56			19.93 12	1.771 29	1.00 550	90.85	92.75 14
7:41:51		1.002 0022		1.9 80 22	1.0 0 20	91.0 20	92.5 71
16:25:48		1.00 75 0	1.30 75	1.95 25	1.00 550	91.0 20	92.75 14
10:59:10		1.00 75 0	1.30 75	1.95 25	1.00 550	91.0 20	92.75 14
11:54:56		1.002 5107	1.30 75	1.95 25	1.00 550	91.0 20	92.75 14
11:54:56		1.002 5107	1.30 75	1.95 25	1.00 550	91.0 20	92.75 14

Dec. 3 1978	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German Mark	Swiss Franc
	1.9604	1.4824	1.0048	1.70075	1.4720	1.7179
		U.S.\$ in Montreal	U.S.\$=102.60-54 Canadian cents.			
		Canadian \$ in New York	C\$=97.45-50 U.S. cents			
			U.S.\$ in Milan	865.30-865.70		
			Sterling in Milan	1438.00-1438.00		

[illegible]

*Rates are nominal closing rates.

†Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two per cent. for sundries and Swiss francs. ‡Following 17.5 per cent. devaluation.

§Discount.

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is expected to increase to 1.7 billion by the year 2015. The number of illiterate people in the world is expected to increase to 1.9 billion by the year 2020. The number of illiterate people in the world is expected to increase to 2.1 billion by the year 2025. The number of illiterate people in the world is expected to increase to 2.3 billion by the year 2030. The number of illiterate people in the world is expected to increase to 2.5 billion by the year 2035. The number of illiterate people in the world is expected to increase to 2.7 billion by the year 2040. The number of illiterate people in the world is expected to increase to 2.9 billion by the year 2045. The number of illiterate people in the world is expected to increase to 3.1 billion by the year 2050. The number of illiterate people in the world is expected to increase to 3.3 billion by the year 2055. The number of illiterate people in the world is expected to increase to 3.5 billion by the year 2060. The number of illiterate people in the world is expected to increase to 3.7 billion by the year 2065. The number of illiterate people in the world is expected to increase to 3.9 billion by the year 2070. The number of illiterate people in the world is expected to increase to 4.1 billion by the year 2075. The number of illiterate people in the world is expected to increase to 4.3 billion by the year 2080. The number of illiterate people in the world is expected to increase to 4.5 billion by the year 2085. The number of illiterate people in the world is expected to increase to 4.7 billion by the year 2090. The number of illiterate people in the world is expected to increase to 4.9 billion by the year 2095. The number of illiterate people in the world is expected to increase to 5.1 billion by the year 2100.

again was reported as minimal. London share prices tended to move ahead in line with the trend in overnight home markets but

were still substantially lower over the week owing to the evaluation of the market.

Yesterday MIM Holdings gained 6 to 192p but still showed a fall of 14 over the week, while Pancontinental, unaltered yesterday at 100p, went up 10p over the latter period. Valtim Minerals responded to a small demand, being 2 up at 8p.

South Africans, on the other hand, were heavily changed, on both the day and the week. Yesterday prices moved narrowly reflecting the lack of direction of the bullion price, but the market was 25 cents better at 131.125 per ounce, a week's gain of 621 cents and the overall tendency was a shade easier.

Some heavy weight issues: Randfontein closed 1 easier at 534, but were still around 22 higher on the week following the final dividend.

The generally better tone of U.K. Industrials coupled with the steadiness of bullion enabled the London-based issues to move

Anglo-Continental Bank
Henry Janssen
Sudco of Bulawayo
Bank of Credit & Commerce
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Bank of China Ltd.
Bear Securities Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
Brown Shipley
Canada Permanent Aff.
C. C. & C. Bank
Cayzer, Rowater Co. Ltd.
Cord Holdings.
Charterhouse Japbet
C. E. Coates
Consolidated Credits
Credit London
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duncan Lawrie
Kagei Trust
English
First Nat. Transvaal
First Nat. Fl. & Com.

Grevnoud Guaranty...
 Grindlays Bank
 Guinness Mahon
 Hambros Bank

[illegible]

- * Long-term local authority mortgage 147-154 per cent. Φ Bank bill rates in per cent.; four-month trade bills 141-15 cent.; two-month 129.99 per cent. and per cent., two-month 147.6 per cent.; and
- * 7-day deposits 11%, 1-month deposits 11.5%.
- * 7-day deposits on sums of £10,000 or under 11% up to £25,000 11.5%.

FOREIGN EXCHANGES			
Date	Bank's Name	Market Rate	Bank's Rate
Dec 8, 1970		Day's Spread	
New York	5 1/2	1.6938-1.6959	1.6926-1.6935
London	8	1.9280-1.7088	1.7048-1.7150
Paris	4	4.38-4.52	4.17-4.31
Brussels	8	1.690-1.610	1.6105-1.6125
Geneva	31	6.75-6.84	6.74-6.78
Frankfurt	31 1/2	3.39-3.42	3.395-3.405
Stockholm	5 1/2	5.95-5.93	5.93-5.915
Amsterdam	7	1.63-1.65	1.63-1.65
Oslo	10	1.430-1.445	1.428-1.440
Madrid	10	4.90-5.00	4.90-5.00
Paris	10 1/2	6.90-6.95	6.91-6.92
Stockholm	8	6.90-6.94	6.90-6.92
Amsterdam	8	6.90-6.94	6.90-6.92
Vienna	4	22.5-22.75	22.55-22.85
Stockholm	8	4.75-4.78	4.76-4.79
Frankfurt	8	4.75-4.78	4.76-4.79
Convertible	8	4.75-4.78	4.76-4.79

Notes Mateu	
Argentine 466.50-466.50	Argentine 575-475
Australia 1.6586-1.6582	Australia 28-29 1/2
Brazil 12 1/2-13.00	Brazil 81-82 1/2

Finland	8,535-8,537	Brazil	1,232-232	Gold Coins	1,678-865	1,678-865
France	1,150-150	Bulgaria	1,232-232	Assorted		
Germany	1,150-150	China	1,232-232	Assorted	1,150-150	1,150-150
Great Britain	1,150-150	Colombia	1,232-232	Assorted	1,150-150	1,150-150
Greece	1,150-150	Cuba	1,232-232	Assorted	1,150-150	1,150-150
Holland	1,150-150	Dominican	1,232-232	Assorted	1,150-150	1,150-150
India	1,150-150	Ecuador	1,232-232	Assorted	1,150-150	1,150-150
Italy	1,150-150	El Salvador	1,232-232	Assorted	1,150-150	1,150-150
Japan	1,150-150	Guatemala	1,232-232	Assorted	1,150-150	1,150-150
Latin America	1,150-150	Haiti	1,232-232	Assorted	1,150-150	1,150-150
Spain	1,150-150	Honduras	1,232-232	Assorted	1,150-150	1,150-150
U.S.	1,150-150	Nicaragua	1,232-232	Assorted	1,150-150	1,150-150
Yugoslavia	1,150-150	Panama	1,232-232	Assorted	1,150-150	1,150-150
		Paraguay	1,232-232	Assorted	1,150-150	1,150-150
		Peru	1,232-232	Assorted	1,150-150	1,150-150
		Puerto Rico	1,232-232	Assorted	1,150-150	1,150-150
		Romania	1,232-232	Assorted	1,150-150	1,150-150
		Soviet Union	1,232-232	Assorted	1,150-150	1,150-150
		Taiwan	1,232-232	Assorted	1,150-150	1,150-150
		Thailand	1,232-232	Assorted	1,150-150	1,150-150
		Turkey	1,232-232	Assorted	1,150-150	1,150-150
		U.S.S.R.	1,232-232	Assorted	1,150-150	1,150-150
		West Germany	1,232-232	Assorted	1,150-150	1,150-150
		Zimbabwe	1,232-232	Assorted	1,150-150	1,150-150

* Basic discount. * Rate given in free state.

	One month	Three month
New York	1.60-1.80 c. per	4.50-4.60 c. per
London	1.05-0.95 c. per	3.00-2.90 c. per
San Francisco	21. 24.	

[illegible][illegible]

Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains. The number of transformed cells was determined by the number of colonies growing on the selective medium. The results are the mean of three independent experiments. Error bars represent standard deviation.

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Abbreviations: $\frac{1}{2}$ ex dividend; $\frac{1}{4}$ ex scrip issue; $\frac{1}{8}$ ex rights
 ex all; $\frac{1}{2}$ ex capital distribution.

"Recent Issues" and "Rights" Page 15

This service is available to every Company dealt in on
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Cruising means



WOMEN OF THE WEEK

A fight for peace

BY GILES MERRITT

SWITCH to any TV news bulletin tomorrow night and they will most probably be on jutting-jawed Mrs. Betty Williams in her smoked glasses, the bearded, poker face of Mr. Ciaran McKewen and pretty Miss Mairead Corrigan. The good news from Northern Ireland, the peace people.

Seven days ago they were in Trafalgar Square, then in Oslo this week to collect the Nobel Peace Prize. From there it was straight to Dublin to receive people of the year awards and to-morrow the mass rally in Belfast is a bridge in the small Irish town of Drogheda that symbolically spans the River Boyne.

Energetic, strident and ubiquitous, the peace trio have in less than four months become familiar faces to sympathisers and sceptics around the world. So take a good look on Sunday night because all three will be much less in evidence over the coming months.

It is not that the Boyne rally is to be their swansong, but it does mark the end of the movement's publicity campaigning and the beginning of a much less glamorous period of organising and administration. The peace movement has grown like Topsy and is now an undisciplined, unwieldy army of about 180 local groups with uncounted membership. "Where does the movement go from here?" is the question increasingly asked, and that the leadership hopes to



Mairead Corrigan (above) and Betty Williams

answer with its "phase two" period of solid spadework.

For back in Ulster the trio have fences to mend as well as a new society to build. Their publicity tours look to many in the Shankhill or the Falls suspiciously like de luxe ego-trips. So now they have churning enthusiasm in the beleaguered working-class communities to re-kindle. In Dublin the movement has attracted the ladies housewives of the charity committees and even in Northern Ireland the trend is toward comfortable coffee mornings.

In January the movement is to hold a strategy conference to hammer out its immediate objectives and decide a more formal structure. There is now a reputed 20 km. in donations to spend, but there is also a confusing welter of project ideas ranging from playgrounds to factories to choose from. And the leadership, meaning not just the famous three but also the three little-known Protestant women who were appointed as a counter-balance, is expected to ask the election to office to remove the "undemocratic" stigma.

Looming over all these considerations is the crucial issue of the movement's political position. When in mid-August the "peace women" as they were made their spontaneous protests against violence, involvement in Northern Ireland's sectarian politics was an obvious pitfall to be avoided. But now their original dream of apolitical pacifism looks as fraught with dangers as a downright political stance.

Both Betty Williams and Mairead Corrigan are frankly bemused by politics, while Ciaran McKewen is openly contemptuous of politicians. Formerly a local reporter in Belfast, he nurses his own political philosophy of a province that can be reunited in the brotherhood of a benign anarchy.

As yet there have been no signs of it. Although the movement could sponsor independent "peace candidates" for the 540 local authority seats to be contested next May, and possibly attract massive support from moderates across the political spectrum, the peace people have so far only asked their supporters to vote for any party that rejects violence. In effect, to keep right on voting in the patterns of the created Ulster's political deadlock.

U.S. cuts economic growth forecast

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 3

THE UNDERLYING fears that U.S. economic expansion is running out of steam were made to appear more real today. A series of depressing statistics and pronouncements served to illustrate the magnitude of the problems likely to face Mr. Jimmy Carter when he takes office next month.

Mr. Carter continued at his Press conference this afternoon to avoid being tied down as to what he would do, but left no one in any doubt that stimulation was in order. "The likelihood is that some stimulation will be required," he said, "but the degree and the form of it won't be decided until next year."

Mr. Alan Greenspan, chairman of President Ford's Council of Economic Advisors said in a newspaper interview that the economy had weakened in the last few months beyond the Administration's expectations. He now thought that real growth at an annual rate in the final quarter of this year would be lower than the 3.8 per cent of the July to September average and might be little more than 3 per cent.

All this is a far cry from the ready 9 per cent plus annual rate of the first quarter.

Irresistible

Only a few weeks ago, Mr. Greenspan was publicly talking of a 5 per cent growth in the last three months, while the Commerce Department was optimistically predicting 6 per cent even more recently.

Mr. Carter repeated on TV this evening that he would not cut until after he had taken office, though the consensus view that a tax cut is imperative is growing so strong that he might not be able to resist it.

He added that, barring a national emergency, "I have absolutely no intention of asking

for wage and price authority, either to be imposed or on standby."

But later Mr. Carter did say that wage and price guidelines "were a good option," but only if formulated with the full cooperation of both industry and labour.

Mr. Carter has promised an annual real growth of 6 per cent next year and a reduction of 1.5 per cent in the unemployment rate.

The unemployment rate rose to 8.1 per cent, last month, 0.2 per cent more than in October and the first time this year that it has exceeded 8 per cent.

Although more Americans held jobs last month, a rapid expansion in the labour force meant that 200,000 more were out of work, bringing the total of unemployed up to 7.8m, seasonally adjusted.

The wholesale price index rose last month by 0.6 per cent, in spite of a further decline in food prices. The industrial commodities component went up by 0.8 per cent.

Because of this week's steel price increases (which may or may not stick) and the uncertainty about future oil prices, there is concern that the underlying rate of inflation may be on the upswing.

Major retailing companies reported considerable slippage in their sales growth last month from the levels of the two previous months. Department stores are still forecasting a vigorous Christmas period, but independent surveys, such as that compiled by Citibank of New York, suggest that this year's consumer Christmas will do well to match last year's.

The latest New York Fed monetary statistics, announced last night, seemed to indicate that in spite of its claims to be loosening the purse strings, the Fed is still keeping a tight rein

on the money supply. Its narrowest, but most widely watched, component, M1 (currency and current accounts) actually fell in the last reporting week.

It is true that the Fed was more liberal in its handling of the broader measurement of money supply, M2, which is continuing to grow at about its targeted ceiling of an annual rate of 11 1/2 per cent.

Moreover the Fed claims with justification that interest rates are continuing to fall. This morning, the Fed intervened in the market at 4-9/16th per cent, on repurchase agreements. The previous key intervention rate was at about 4-11/16ths per cent.

Yesterday, an AAA-rated 40-year bond issued by a subsidiary of American Telephone and Telegraph sold at 7.9 per cent, the first time in four years that such a quality bond has been priced, and sold, at under 8 per cent.

Piquancy

In the light of all this, Mr. Greenspan's comments have a certain piquancy. He was at pains to point out that he did not now think that the economy was about to relapse into another recession (two technical measurements in two consecutive quarters of negative growth).

Intriguingly, Mr. Greenspan even admitted that in October he was genuinely concerned that stagnation might be turning into recession.

The main factor was the sudden rise in insured claims for unemployment benefits, "but at some point in October things stabilised, the unemployment insurance claims dropped in November and the deterioration in capital goods markets ended."

According to the moment, are not getting any worse."

German unemployment rises, Page 11

Slim hope of peace in Rubery Owen row

BY ARTHUR SMITH

PROSPECTS of an early settlement to the unofficial strike at Rubery Owen, the West Midlands motor components supplier, faded yesterday.

The 120 maintenance engineers, who are demanding a £10 a week wage increase, decided to stay out for at least another week.

Senior union officials were still making efforts late last night to find a formula on which the men's shop stewards could recommend a return to work.

Senior executives were at the factory in case they were needed for discussions.

About 6,500 workers in the motor industry are already idle as a result of the dispute.

Shell, BP reluctant over oil 'payments'

By Our Foreign Staff

BOTH BRITISH Petroleum and Shell are reluctant to assist the financing of U.K. projects in Iran by receiving as a third party—consignments of crude from the oil producing State.

Still embarrassed by liquidity problems, the Iranian Government is continuing to press for payments in kind for the big oilfield projects, by British and American companies, by a British group headed by Milbank Technical Services, the offshoot of the Crown Agents.

It first gave notice of its demand to settle in crude oil supplied by the National Iranian Oil Company in the late summer.

As independent, profit-oriented entities, both BP and Shell would be prepared only to buy "increased oil" over and above their projected requirements, from the State oil corporation at a discount.

A precedent was established by Shell, which a few months ago agreed to help assist with the supply of Rapier anti-aircraft missiles on behalf of the British Aircraft Corporation, by taking some 18,000 barrels a day of oil over a five-year period at a price below market levels, according to reliable reports.

Traditionally Shell has been short of its own direct entitlement of crude oil from the producing countries, while British Petroleum has had plentiful supplies.

However, the scale of the commitments being demanded by the Iranian Government are of a different magnitude.

Weather

U.K. TODAY

COLD with snow or sleet showers. London, Southern and central North England, the Midlands. Scattered wintry showers, and bright spells. Freezing fog patches at East. Max. 5C (41F).

Snow showers, occasionally heavy on coasts and hills. Channel Isles and S.W. England. Wintry showers, sometimes heavy and prolonged.

Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland, N. Ireland.

Wintry showers, heavy and prolonged. Freezing fog patches. Borders, Edinburgh, Dundee, the Highlands.

Wintry showers, heavy and possibly prolonged. Freezing fog patches.

Outlook: Cold. Lightning: London 18.23, Manchester 16.22, Glasgow 16.17, Belfast 16.31.

BUSINESS CENTRES

	Y-day	Mid-day	Y-day	Mid-day
Amsterdam	12.40	12.40	Manchester	12.40
Algeria	12.40	12.40	Madrid	12.40
Bombay	12.40	12.40	Paris	12.40
Buenos Aires	12.40	12.40	Rome	12.40
Calcutta	12.40	12.40	Stockholm	12.40
Canton	12.40	12.40	Sydney	12.40
Cebu	12.40	12.40	Tokyo	12.40
Hankow	12.40	12.40	Zurich	12.40
Hong Kong	12.40	12.40		
Kobe	12.40	12.40		
London	12.40	12.40		
Lyons	12.40	12.40		
Manila	12.40	12.40		
Medan	12.40	12.40		
Shanghai	12.40	12.40		
Singapore	12.40	12.40		
Sourabaya	12.40	12.40		
Tientsin	12.40	12.40		
Yokohama	12.40	12.40		

HOLIDAY RESORTS

	G	21	22	23	24	25	26	27	28	29	30	31
Algeria												
Bombay												
Buenos Aires												
Calcutta												
Canton												
Cebu												
Hankow												
Hong Kong												
Kobe												
London												
Lyons												
Manila												
Medan												
Shanghai												
Singapore												
Sourabaya												
Tientsin												
Yokohama												

—Sunny —Fair —Rain —Cloudy —Snow —Fog —Haze —Storm

THE LEX COLUMN

Issues raised by Dunford affair

The tangled affairs of Dunford and Elliott, the subject of a unique hearing at the Court of Appeal this week, raise three crucial questions for the City. These concern the status of the Takeover Code, the role of institutional shareholders and the disclosure of information.

D & E's unsuccessful attempt through the High Court to prevent Johnson and Firth Brown from pressing ahead with its takeover bid appears to run directly counter to general principle of the Takeover Code.

This bans companies from taking action "which could effectively result in any bona fide offer being frustrated or in the shareholders of the offeree company being denied an opportunity to decide on its merits."

Just over two years ago, when Miles Driscoll was considering an appeal to the European Court in an attempt to block an offer from GKN, the Panel ruled that general principle four was applicable.

Panel problems

In the D & E case, it would obviously have been inappropriate for the Panel to take any action while the Court was sitting. But this is the second case in two months of a bid being referred to the court before going to shareholders: in October, Herbert Morris attempted to use a U.S. court as part of its defence against an offer from Babcock and Wilcox. The City Code depends on people being willing to forgo their legal rights in some measure. So although yesterday's ruling went against D and E, this is a nettle which the Panel is still going to have to grasp.

Meanwhile there is a real threat that this complicated muddle could scare the institutions away from the idea that they have more to do in life than simply to buy and sell shares. The institutional shareholders have only received briefings in return for underwriting Dunford's desperately needed equity injection. The Pru, in particular, has been singled out for unkind comments about the way that it banded over confidential information concerning Dunford to JFB, at a time when the latter was thinking about taking part in the underwriting.

However it seems fair to suggest that the main explanation

Index rose 4.4 to 305.3



for the institutions' problems is that D and E did not particularly want their help in the first place. Although it is a major shareholder, the Pru was not made aware of the gravity of D and E's problems until early October, and even then it seems to have been not Dunford but a number of other sources (including JFB) which first alerted it to the danger. When it emerged that talks with the NEB had reached an advanced stage, the institutional shareholders (with referred to the court before going to shareholders: in October, Herbert Morris attempted to use a U.S. court as part of its defence against an offer from Babcock and Wilcox. The City Code depends on people being willing to forgo their legal rights in some measure. So although yesterday's ruling went against D and E, this is a nettle which the Panel is still going to have to grasp.

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